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Daily Report

East Asia

**FBIS-EAS-89-176
Wednesday
13 September 1989**

Daily Report

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FBIS-EAS-89-176

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13 September 1989

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Japan

Reportage on Visit by U.S. Commerce Secretary

Satellite Research on Agenda

OW1109070789 Tokyo KYODO in English 0501 GMT
11 Sep 89

[Text] Tokyo, Sept. 11 KYODO—U.S. Secretary of Commerce Robert Mosbacher is expected to propose joint development of Japan's next-generation communications satellite during his 3-day visit here starting Tuesday, government sources said Monday.

The sources said Mosbacher will press Japan to reassess its policy of domestically producing the satellite, code-named CS-4, a successor to the CS-3 launched last year to improve communications to remote areas and in natural calamities.

The CS-3, weighing about 550 kilograms, is equipped with 12 transponders. Launched by Japan's 3-stage H-1 rocket, the satellite, measuring 2.18 meters in diameter and 2.43 meters in length, is currently used by Nippon Telegraph and Telephone Corp. (NTT), the National Police Agency, and the ministries of construction and posts and telecommunications.

Japan plans to launch two CS-4 satellites, in 1994 and 1995, which will cost 20 to 30 billion yen each to make, the sources said.

They said Mosbacher will visit NTT's Research and Development Center in Yokosuka on Thursday for a first-hand look into the 2-ton engineering test satellite ETS-VI now under development, which is necessary for bringing the CS-4 into practical use.

NTT, privatized in 1985, has already completed the development of highly sophisticated equipment for the ETS-VI, using the latest technology, which is expected to be loaded on the 2-ton, 3 axis-controlled satellite to be launched by Japan's H-II rocket.

Behind the expected U.S. request for joint development is Washington's concern about Japan's possible dominance in this sector—just as in autos and semiconductors—described by U.S. Trade Representative Carla Hills as a "symbolic issue" in bilateral trade relations. This is because the high technology for space development, so far dominated by the U.S., is a major issue that will determine future defense and industrial competitiveness, the sources said.

Japan has substantially improved its technology in the development of communications equipment to go inside the satellite, while U.S. technical expertise and software for overall operations of such equipment are superior to that of Japan, the sources said.

Among the latest developments is a 13-beam antenna covering the Japanese archipelago and a satellite switching system, they said.

The sources pointed out in this connection that the U.S. focused on specific trade issues raised in its complaints under the "Super 301" provision of the 1988 U.S. Trade Law, involving Japanese restrictions on imports of communications satellites, at their subcabinet-level meeting in Hawaii on Friday and Saturday to discuss trade issues.

The sources also said that unless Japan and the U.S. agree to jointly develop the CS-4, the U.S. may apply sanctions against what it claims are unfair trade practices with regard to satellites.

At the opening session in Hawaii, the U.S. delegation said Japan's space development policy constitutes a barrier to trade in satellites, adding that Japan is developing its space industry at the expense of the U.S. The Japanese countered by saying that various other countries are trying to develop their own space technology and that Japanese enterprises are freely buying foreign-made satellites, they said.

Market Access Discussed

OW1309103789 Tokyo KYODO in English 0830 GMT
13 Sep 89

[Text] Tokyo, Sept. 13 KYODO - Visiting U.S. Secretary of Commerce Robert Mosbacher on Wednesday called for smooth U.S. access to Japan's insurance market, a Finance Ministry official said. Mosbacher made the request during a 30-minute meeting with Finance Minister Ryutaro Hashimoto, the official said.

In reply, Hashimoto voiced readiness to give related licenses to U.S. insurance companies with sufficient capacity and willingness to step into Japan's insurance business, the official said.

Touching on bilateral trade, Mosbacher urged Japan to make further efforts to increase imports in order to rectify the bilateral trade imbalance, the official said. Mosbacher was quoted as saying the overall U.S. trade deficit has been improving, but the U.S. balance of trade with Japan is still deeply in the red.

Hashimoto in response pointed to bilateral trade figures for the January-August period in which imports from the United States grew at a faster tempo than U.S.-bound exports. During the eight months, Japan's imports from the United States rose 15.9 percent from the same period last year, while exports to that country went up 8.4 percent.

Mosbacher began a four-day visit here Tuesday for talks with Japanese Government officials.

Earlier in the day, Mosbacher met Posts and Telecommunications Minister Senpachi Oishi and asked him to revise the telecommunications business law to make it easier for foreign firms to take part in the value-added network (VAN) telecommunications service.

Oishi replied that Japan will not revise the legislation for the time being, his aides said.

Mosbacher pointed out that under the law, firms having no telecommunications circuits of their own are divided into two categories—one requiring official registration to do large-scale service and the other allowed to small-scale service by simply reporting to authorities. These two divisions should be abolished to help foreign firms take part in the VAN business, he said.

VAN is a large-scale telecommunications service intended for corporate clients, which enables otherwise incompatible computers with different data formats and protocols to communicate with each other over public communications lines.

Mosbacher described Japan's policy of domestically developing its next-generation telecommunications satellite as tantamount to the protection of a specified industry. He also called for liberalization of the market for digital telecommunications equipment and for equal opportunity for foreign suppliers in the procurement of optical fiber cables by Nippon Telegraph and Telephone Corp. (NTT).

Oishi replied that Japan's satellite development policy is not designed for the protection of any particular industry and that NTT's procurement of optical fibers is open to foreign firms. Oishi said he will seek an amicable solution at preliminary talks on the NTT procurement issue, starting in Washington on Wednesday.

Japan-U.S. Trade Talks Viewed

*OW1309101089 Tokyo KYODO in English 0900 GMT
13 Sep 89*

[Text] Tokyo, Sept. 13 KYODO—Visiting U.S. Secretary of Commerce Robert Mosbacher told Japanese Foreign Minister Taro Nakayama on Wednesday a show of progress is necessary in the current series of trade talks between the two countries.

Mosbacher, in a 30-minute meeting with Nakayama at the Foreign Ministry, said that signs of progress in the bimonthly structural talks would not only ring positively back in the United States, but would prove a "merit" for bilateral economic relations as a whole, ministry officials said.

The commerce secretary's remarks come amid U.S. expectations of "results" in the removal of structural barriers to U.S. exports by next spring, when the two sides are expected to produce a mid-term report.

Mosbacher, who met earlier in the day with Finance Minister Ryutaro Hashimoto, told Nakayama that both the U.S. and Japan are faced with various domestic pressures, an apparent allusion to protectionism. But the two countries should resist those pressures and work together to prop up the sometimes fragile global trade system, the commerce secretary said. He said it is important to have as balanced a trade between the U.S. and Japan as possible.

Americans realize that there are elements in their own economic system that must be changed, Mosbacher acknowledged, adding that he hopes the Japanese share that view about their system as well.

He said that while the U.S. is planning to exert greater efforts at promoting exports, he understands that Japan is similarly making efforts to increase its imports.

Mosbacher said that the U.S. attaches great importance to the talks with Japan on structural impediments to trade.

Commenting on the recently concluded first meeting in Tokyo, he said problems between the two countries were placed on the table of the new forum, adding that the task before the two countries now is to talk about how to proceed from that point.

Nakayama said he shares with Mosbacher a strong interest in strengthening cooperation between Japan and the U.S. in the field of science and high technology.

Technology Cooperation To Expand

*OW1209121589 Tokyo KYODO in English 1152 GMT
12 Sep 89*

[Text] Tokyo, Sept. 12 KYODO—Japan and the United States agreed Tuesday to cooperate with each other on industrial technology development in a joint bid to ease intensifying trade tensions between the two countries, a Japanese Government official said.

The agreement was made between International Trade and Industry Minister Hikaru Matsunaga and his U.S. counterpart Robert Mosbacher, here for a four-day visit.

Officials from the two governments will meet regularly to exchange information on the development of high technology and to assist Japanese and U.S. industries to work together on joint projects. The meeting will also discuss respective government regulations currently imposed on industries, the ministry official said.

During their first meeting, Matsunaga and Mosbacher reaffirmed their willingness to correct bilateral trade imbalances by promoting imports and exports, respectively, according to the official. The meeting between the two top-level government officials follows a first round of bilateral negotiations specifically covering structural impediments.

The two governments last week started discussing ways to solve structural problems under the Japan-U.S. Structural Impediments Initiative (SII) launched in July. The one-year SII program is to be completed next August with the issuance of a joint final report. Prior to that time, the two sides will prepare an interim assessment report next spring.

At their Tuesday meeting, Mosbacher pressed Matsunaga for increased U.S. market share in three areas identified as "priority practices" under the "Super 301" clause of the 1988 Trade Act.

The U.S. in May listed Japan's supercomputers, satellites and forest products sectors as embodying unfair trade barriers, and threatened trade retaliation if Japan fails to live up to U.S. expectations.

Matsunaga explained Japan's efforts in those areas, adding that the Japanese market is open to the world, the official said.

Japan, USSR Plan Foreign Ministerial Talks

OW1209122389 Tokyo KYODO in English 1158 GMT
12 Sep 89

[Text] Tokyo, Sept. 12 KYODO—Japan and the Soviet Union will hold vice minister-level talks in Moscow on Wednesday to prepare for a planned meeting of their foreign ministers in New York later this month. The talks will discuss the international situation and bilateral relations ahead of the meeting between Japanese Foreign Minister Taro Nakayama and his Soviet counterpart Eduard Shevardnadze in New York when the United Nations General Assembly opens in late September.

The talks will be attended by Deputy Foreign Minister Hisashi Owada and Takehiro Togo, head of the European and Oceanic Affairs Bureau, and Vice Foreign Minister Igor Rogachev and other Soviet officials.

The Japanese officials who left Tokyo for Moscow Tuesday also plan to meet Shevardnadze before leaving Moscow on Thursday.

Japanese sources said Japan wants to confirm a basic policy of developing Japan-Soviet relations through "balanced expansion."

Both sides will exchange views on East-West relations, China, the Korean peninsula, Kampuchea as well as bilateral relations.

Japan will seek confirmation of its views for improving bilateral relations, including the settlement of their long-standing territorial dispute over a group of islands off Hokkaido, northern Japan, and the conclusion of a peace treaty.

The talks will also cover a bilateral environmental pact and schedules for working-level meetings on trade and economy, science and technical cooperation.

Diet Group To Visit PRC, Meet With Li Peng

OW0809041589 Tokyo KYODO in English 0216 GMT
8 Sep 89

[Text] Tokyo, Sept. 8 KYODO—Japanese Diet members will accompany a private youth delegation to China later this month and meet Premier Li Peng and other Chinese leaders, sources said Friday.

The 240-member delegation of the Japan-China Youth Exchange Association, to be led by Keiwa Okuda, chairman of the Diet Policy Committee of the ruling Liberal Democratic Party (LDP), will arrive in Beijing

on September 28 on a six-day visit. The delegation will be accompanied by about 10 members of an LDP faction led by former Prime Minister Noboru Takeshita, of which Okuda is also a member.

The lawmakers will meet Li and other Chinese leaders and members of the National People's Congress, China's parliament, on September 29.

It will be the first large Japanese delegation including lawmakers to visit China since Japan-China relations cooled down due to China's military crackdown on pro-democracy demonstrators in early June.

The Japanese Government on August 18 lifted its advisory against travel to China except Beijing and plans to take similar steps on Beijing in mid-September.

The Takeshita faction said it is sending its Diet members to China to cooperate in promotion of bilateral youth exchanges. When Takeshita visited China in August last year as prime minister, he stressed the significance of Japan-China youth exchanges.

The delegation will also include a women's volleyball team and flower arrangement teachers.

Masayoshi Ito, a former foreign minister and head of the Japanese Diet Members' League for Japan-China Friendship, also plans to shortly visit China, the sources said.

U.S. Support for Foreign Aid Initiative Noted

OW0909061489 Tokyo KYODO in English 0157 GMT
9 Sep 89

[By Shiro Yoneyama]

[Text] Washington, Sept. 8 KYODO—The United States formally supported Japan's new foreign aid initiative Friday, calling for stepped-up investment in heavily indebted countries, officials said. David Mulford, Treasury undersecretary for international affairs, expressed the U.S. support for the Japan International Development Organization (JAIDO), a new foreign investment promotion company in Tokyo.

Mulford made the statement in a meeting with a group of Japanese business leaders, including JAIDO President Shinichi Yufu and Kazuo Haruna, chairman of the Committee on Economic Cooperation of the Federation of Economic Organizations (Keidanren).

Haruna, chairman of Marubeni Corp., who led the group, said at a news conference that Mulford gave America's blessing to JAIDO as a new Japanese step to alleviate the Third World debt crisis. "He (Mulford) asked us to encourage more direct Japanese investment in debtor nations," Haruna said, capping the group's four days of talks with World Bank President Barber Conable and leaders of the International Finance Corporation (IFC) and the multilateral investment guarantee agency.

Established in April by nearly 100 Japanese companies and the official Overseas Economic Cooperation Fund (OECD) [name and acronym as received], JAIDO promotes direct investment in developing countries from Japan and, eventually, from the U.S. and other industrialized nations. Haruna said JAIDO hopes to help developing countries conduct structural reforms and foster export industries.

JAIDO President Yufu said his company is focusing its immediate emphasis on the Philippines and Brazil. In the Philippines, he said, JAIDO studies the development of an industrial complex in southern Manila and of the copper refining industry, a plan to produce and export papayas to Japan and the training of computer software engineers.

What distinguishes JAIDO from other aid organizations is its role as a promoter of direct foreign investment rather than as a lending agency, Haruna said.

JAIDO has been inaugurated against the backdrop of Japan's emergence as No. 1 donor country with an estimated aid package of 10 billion dollars for this year alone.

In the meantime, the U.S. has been forced to keep the growth of foreign aid spending to a minimum due to its fiscal budget deficit and a shift to military and strategic aid to Israel, the contras in Nicaragua and other sensitive spots, according to Japanese officials.

"Our capabilities are not limitless," Haruna said, emphasizing the need for coordinated efforts with the World Bank, IFC and other traditional international lending agencies. Yufu said his firm has concluded a protocol agreement with IFC under which they will hold a biannual aid review conference and exchange staff.

The Japanese mission will leave for Canada Saturday for similar foreign aid consultations with the Canadian Government and aid agencies.

It will hold talks with representatives of the United Nations Development Program (UNDP) in New York before returning home on Thursday.

Customs-Cleared Trade Surplus Falls in Aug

OW1209153989 Tokyo KYODO in English 0859 GMT
12 Sep 89

[Text] Tokyo, Sept. 12 KYODO—Japan's customs-cleared trade surplus fell in August from a year earlier for the fourth straight month due chiefly to brisk oil import growth, the Finance Ministry said Tuesday in a preliminary report.

Before adjustment for seasonal factors, the nation's balance of trade was in surplus by 3,440 million dollars, down 30.8 percent from a year earlier, or the biggest shrinkage since November 1987 when the surplus showed a 35.8 percent, ministry officials said.

Imports rose at a faster pace than exports, growing 15.8 percent from a year earlier to 18,380 million dollars, the first double-digit growth in three months. Customs-cleared exports rose 4.7 percent to 21,820 million dollars.

The trade surplus with the United States fell on a year-to-year basis for the second month in a row. It fell 6.7 percent to 3,027 million dollars.

Exports to the United States rose 5.0 percent to 7,328 million dollars, while imports climbed 15.1 percent to 4,301 million dollars.

After seasonal adjustments, the overall surplus came to 4,428 million dollars in August, down from 5,049 million dollars in July.

Briefing reporters on the latest trade statistics, a ministry official ascribed the surplus decline mainly to strong oil import growth. Oil import went up 22.6 percent in volume and 39.0 percent in value. The official said the robust oil import growth came partly in reaction to sluggish imports in the same month last year, when an oil import tax was raised.

The official also cited increased oil imports from so-called newly industrializing Asian economies for refinery purposes and increased demand from Japanese electric power companies as contributing to oil import growth.

On the import side, growth was also strong in alcoholic beverages, autos, aircraft and textile products. In particular, aircraft imports surged 597.2 percent in reaction to slow imports in August 1988.

Imports of finished goods rose 18.7 percent, keeping the ratio of finished goods to total imports at 50.6 percent. August was the third consecutive month in which the ratio stayed above 50 percent.

The export growth stemmed mainly from increases in office equipment, semiconductor products and automobiles.

The trade surplus with the 12-nation European Community slid on a year-on-year basis for the eighth month in a row, falling 8.1 percent to 1,392 million dollars. EC-bound exports grew 7.2 percent to 3,852 million dollars, while imports from the region rose 18.2 percent to 2,460 million dollars.

The balance of trade with Asian nations, including China, was in surplus by 888 million dollars, down 35.2 percent from a year earlier. Exports to Asia rose up 4.8 percent to 6,551 million dollars, while imports jumped 16.0 percent to 5,668 million dollars.

With China itself, Japan posted a deficit of 410 million dollars owing to continuously sluggish exports in the wake of Beijing's military crackdown of pro-democracy protesters last June. Exports to China fell for the third straight month, dropping 14.5 percent to 632 million dollars, by contrast, imports shot up 20.0 percent to 1,042 million dollars.

"China reportedly has been stepping up its drive to boost exports amid worsening foreign exchange reserves. This may have been the major cause of the strong import growth," the official said.

The official was optimistic about Japan's trade picture for months to come. "The narrowing trend (in Japan's trade surplus) is likely to continue for a while because of continuously strong domestic demand, although there is the possibility that the yen's recent weakness will result in an increase in exports if demand at home becomes weak," he said.

MITI Minister Says U.S. Lacks Export Effort

OW0809044989 Tokyo KYODO in English 0354 GMT
8 Sep 89

[Text] Tokyo, Sept. 8 KYODO—International Trade and Industry Minister Hikaru Matsunaga said Friday a lack of effort by the United States to raise its exports is to blame for its trade imbalance with Japan.

Speaking to reporters after a regular cabinet meeting, Matsunaga said he will stress the point to U.S. Commerce Secretary Robert Mosbacher, who arrives in Tokyo next Tuesday for a three-day visit to Japan.

"Japan will continue pursuing a domestic demand-led economic policy while expanding imports, but the U.S. also must make stepped-up efforts to export more," Matsunaga said. "Japan-U.S. structural talks will only be supplemental to bilateral efforts to close the trade gap," he said.

The first round of the talks, aimed at correcting the bilateral trade imbalance, ended here Tuesday, with both sides exchanging proposals for possible structural reforms. The talks are to continue until next July.

Matsunaga said he will also dispute prevailing U.S. criticism about the absence of competition in Japan's markets during his meeting with Mosbacher.

While in Japan, Mosbacher is planning several visits to Japanese high-tech companies, a ministry official said.

MITI, Foreign Firms To Discuss Trade Issues

OW1109211889 Tokyo KYODO in English 1105 GMT
11 Sep 89

[Text] Tokyo, Sept. 11 KYODO—The government will hold a series of regular meetings with foreign firms operating here on imports and conducting business in Japan, a government official said Monday. The meeting, the first of its kind, is designed to promote imports and address foreign "misperceptions" about government policies and Japanese markets, the official said.

The first meeting will be held Wednesday between officials of the Ministry of International Trade and Industry (MITI) and representatives of 100 firms from about 10 countries, along with several foreign trade bodies.

MITI Minister Hikaru Matsunaga and U.S. Secretary of Commerce Robert Mosbacher, who will be here Tuesday for a four-day visit, will also attend the meeting, the officials said.

Follow-up meetings will be held once every three months starting in November, he added. During the meetings, foreign company representatives will seek information on Japan's import procedures and make recommendations to the government on measures to encourage foreign access to Japanese markets.

Among expected participants in the first meeting will be American Chamber of Commerce Chairman William E. Franklin and R. Lambotte, chairman of the Belgian-Luxembourg Chamber of Commerce. Tokyo-based companies such as Intel Japan KK, General Motors Overseas Corp. of the U.S. and Volkswagenwerk AG of West Germany are also expected to be represented.

Okinawa Not Notified of U.S. Training Exercise

OW1109111289 Naha OKINAWA TIMES in Japanese
9 Sep 89 Morning Edition p 1

[Text] The issue of the U.S. Marine Corps Okinawa's "failure to notify" the local authorities before it conducted exercises at the Ground Self Defense Force [GSDF] Ukibaru Island Training Ground (a facility shared by Japanese and U.S. forces) in Katsuren-cho came into the open when it was learned on the afternoon of 8 September that, because of a clerical routine mis-handling between the USMC and the Naha Defense Facilities Administration Bureau [NDFAB], local authorities were not informed of the exercises. Both admitted their mistake; but essentially, the main reason was that the USMC had not handled the procedures through regular channels. Such carelessness is sure to come under fire.

Although the training ground is a GSDF facility, in accordance with Section 4 (b) of Article II of the Status of Forces Agreement, the USMC can also use it temporarily.

The USMC obtained permission to use the training ground from 6 to 8 September from the GSDF First Composite Division, which has jurisdiction over the facility.

Thus, a training plan was submitted on 25 August to the NDFAB, which is responsible for informing the local and prefectural authorities. However, because the plan did not specify the training date, stating only "from 3 to 9 September," this was deleted from the plan upon agreement of the officials in charge of the USMC and the NDFAB. Thus, notification of the exercises was not issued.

However, in reality, exercises were held. The USMC Public Affairs Office issued the following comment: "It was a procedural misunderstanding on both sides. Exercises were planned and held. The GSDF in charge was

informed of the accurate training schedule. We and the NDFAB will have to discuss the procedure of submitting training plans."

On the other hand, the NDFAB stated: "It was a clerical procedural mishandling. From now on, we will coordinate fully with the U.S. military and take appropriate measures in order not to cause the local residents any trouble." (NDFAB Public Affairs Office)

However, the NDFAB claimed that "since this involved a temporary use of the facility," it was agreed that the date be deleted from the plan on condition that we would be "informed of the definite training schedule." After that, the USMC did not contact us. Thus, notification of the exercises was not issued.

With regard to the fire that occurred in Ukibaru Island, Katsuren-cho, (an uninhabited island), the Gushikawa Police Department and the Yokatsu Administrative Cooperative Fire Department plan to inspect the site of the fire on 9 September as soon as weather conditions improve and conduct a thorough investigation of where the fire started and the area that burned.

As of now, the U.S. military's light bombs are believed to have caused the fire and the U.S. side has admitted this. The total area burned is estimated to exceed one-half of the island's total area (0.29 square km).

Meanwhile, Katsuren-cho officials, noting the fact that the exercises were conducted without any notification, intend to seek an explanation from the U.S. military and the NDFAB for this incident and to strongly demand measures to prevent the repetition of such incidents after inspecting the site of the fire.

Boat People Face Detention, Deportation

80 Face Deportation

OW1209183589 Tokyo KYODO in English 1359 GMT 12 Sep 89

[Text] Tokyo, Sept. 12 KYODO—Immigration authorities said Tuesday they have issued orders to deport 80 Chinese who illegally entered Japan by posing as Vietnamese refugees. The illegal immigrants will be deported to China once the Chinese Government agrees to accept them, they said. The group will be sent to a detention center in Omura, Nagasaki Prefecture.

The Osaka Immigration Bureau on Tuesday issued the orders to 17 Chinese and to 22 others being held at its Kobe Branch. The deportees were among a group of 149 boat people who arrived in Kobe on September 4 after being rescued off Gaja Island, Kagoshima Prefecture.

Screening of 24 others of the 63 Chinese under detention for illegal entry is continuing. The Fukuoka Immigration Bureau said it has issued deportation orders to 32 Chinese under detention for landing illegally in Nagasaki on September 3. The bureau issued the orders to 15 of the 32 Chinese last Friday and to the rest on Monday.

Immigration officials said the Chinese slipped into Japan with the help of former and present Chinese students in Japan.

The Nagoya Immigration Bureau on Tuesday issued deportation orders to nine of 30 Chinese suspected of illegal entry. The bureau will also issue similar orders to 21 others.

The Chinese were among a group of 102 boat people who arrived in Kagoshima on August 30 after being rescued off Tokunoshima Island.

Boat People Object to Detention

OW1209014589 Tokyo KYODO in English 1457 GMT 11 Sep 89

[Text] Fukuoka, Sept. 11 KYODO—Fukuoka Immigration Bureau officials said Monday some Chinese nationals detained here on suspicion of illegal entry into Japan have expressed their objection to being detained despite admissions they entered the country illegally.

The officials said some of the 369 Chinese detainees at the bureau who arrived after May on separate boats in Japan cited reasons why they can't return to China. Immigration officials said, however, those some Chinese nationals admitted they made illegal attempts to enter Japan. The officials did not reveal the exact number of such individuals and also declined to specify the "reasons" cited by them.

The detention of foreign nationals as illegal immigrants is part of the deportation process, officials said. Those unhappy with the Japanese Government's decision will be given another round of interviews with immigration officials.

According to Japanese immigration laws, the justice minister will make final judgments on the fate of foreign nationals who continue to protest deportation.

'Economic' Refugees Criteria

OW1109064589 Tokyo KYODO in English 0513 GMT 11 Sep 89

[Text] Tokyo, Sept. 11 KYODO—Japan will repatriate "economic" refugees under a package of tough new refugee policies which goes into effect Wednesday, the Government announced Monday.

The package of new measures, aimed at stemming an influx of boat people and illegal entrants from China posing as Vietnamese refugees, was adopted at a meeting of bureau chiefs of 12 government ministries and agencies concerned, it said. The implementation of the new measures will be approved at a cabinet meeting Tuesday, it said.

The government said it is requesting the nations concerned, Vietnam and China, to step up efforts to prevent an outflow of refugees and accept illegal entrants deported from Japan.

Japan has so far granted temporary landing permits to refugees arriving from Indochina after simple screenings. But it has tightened the screening procedures in order to distinguish refugees coming to Japan simply to find jobs from those fleeing their countries for political reasons, the government said. Such economic refugees will be regarded as illegal entrants and will be deported to their homelands, it said.

Officials of the United Nations High Commissioner for Refugees (UNHCR) will oversee the screening checks, the government said.

The shift in the refugee policy is in line with agreements reached at an international conference on refugees held in Geneva in June, it said.

According to the new policies, the capacity of two refugee reception facilities at Omura in Nagasaki Prefecture and in Tokyo's Shinagawa Ward will be increased to a combined 1,100 from the present 900.

The Japan Red Cross Society and other refugee welfare facilities will be asked to increase their accommodation.

Efforts will be stepped up to help refugees wanting to settle in a third country through the UNHCR's counseling, the government said.

Since late May, a total of 2,257 people have arrived in Japan aboard 18 boats after being rescued at sea or by directly landing on Japanese territory. Immigration authorities suspect that many of these boat people are Chinese who came to Japan in search of a better life.

Taiwanese Assistance Cited

OW1009080989 Tokyo KYODO in English 0634 GMT 10 Sep 89

[Text] Tokyo, Sept. 10 KYODO—A Taiwanese man has been spearheading local efforts to help 80 Chinese boat people who landed in Okinawa Prefecture late last month posing as Vietnamese refugees, immigration authorities say.

Tsuo Kuei-kuan, who is the leader of a Chinese-aid effort, hired Chinese in the southern Chinese province of Fujian to operate a boat for the "refugees," officials said. The Chinese illegally entered Japan with 44 Vietnamese.

The Tokyo and Osaka immigration offices said they identified Tsuo following a joint investigation of the Chinese immigrants that landed at Naha port August 29. The investigation also turned up a Chinese carrying a memo with the address of Tokyo condominiums, the same addresses as one stipulated by another group of Chinese who forced their way into Nagasaki Prefecture September 3, officials said. This suggested the two different groups may be linked with the illegal entry by the Chinese, the officials said.

According to the investigations, Tsuo, with no experiences of living in Japan, shuttled between Taiwan and

Mainland China to urge Chinese to come to Japan to find jobs, posing as students.

Tsuo and his group is thought to have collected 2,000-20,000 yuan from each passenger as a fee.

Most of the Chinese students in Tokyo, with whom Chinese entrants were to contact, have disappeared from an Ikebukuro neighborhood meeting site, the officials said.

Meanwhile, suspicion has increased that a man who "swam" to Yonaguni Island near Okinawa Saturday and claimed to be a Vietnamese refugee may be an illegal entrant. The man identified himself as Le Nam, 39, and was found collapsed on a street of Yonaguni. He was taken to a local hospital.

He told police he left a port in southern Vietnam with 29 other colleagues by boat August 25, immigration and police authorities in Fukuoka and Okinawa said. After the boat was capsized, Le was rescued by a fishing boat and disembarked near Yonaguni Island. He swam to the coast and was exhausted, authorities quoted him as saying. The other members of his group were thrown overboard and are missing, he said.

Subsequent investigations revealed that a travel agent saw Le at Yonaguni airport September 7, authorities said. The witness said the Vietnamese, in English, asked him about directions to a beach and a bus stop. A man believed to be Le was on board a plane bound for Yonaguni from Ishigaki Island off Okinawa on September 7, the authorities said.

Immigration authorities will question Le more after he recovers to determine his identity and the reason why he tried to enter Japan, they said.

Aid From Chinese Students Noted

OW0809223689 Tokyo KYODO in English 1453 GMT 8 Sep 89

[Text] Fukuoka, Sept. 8 KYODO—Fukuoka Immigration Bureau officials said Friday a group of Chinese who were in Japan as "students" led the 32 Chinese boat people who landed at a Japanese port disguised as Vietnamese Refugees.

A 25-year-old man arranged for a group of six Chinese nationals, all of whom had been in Japan as students of the Japanese language, to guide Chinese from China's southeastern Fujian Province after he received between 4,000 yuan and 20,000 yuan from 25 persons for passage on board the boat. The authorities did not identify the six, who became acquainted with each other while in Japan.

All 32 fled from where they landed and had been under the protection of the police. Some of them took taxis to downtown Nagasaki. The officials earlier announced that one of the 32 people had the address of a Tokyo apartment owned by a member of a Japanese organized crime group, or Yakuza, who is currently under detention.

Police said the man illegally obtained other peoples' residence certificates and taxation returns in order to sell them to Chinese students in Japan who need such documents to renew their residence permits.

Investigation sources said they suspect the Yakuza member may have played a key role in the illegal attempt to bring Chinese into Japan posing as Vietnamese refugees and will start an investigation into the matter in the near future.

The Fukuoka officials said the 25-year-old Chinese leader came to Japan in April last year but returned home in June this year via Hong Kong. Five others of the student group also left Japan, but the officials did not specify the time.

The immigration officials said the 50-ton, steel-made ship on which the Chinese arrived was originally owned by one of those aboard, who had been engaged in smuggling fish into Fujian from Taiwanese fishermen. He did not pay money for the passage to Japan, they said.

The 32 Chinese, some of whom had with them Chinese passports and immigration documents, possibly fake, are currently detained on suspicion of illegal entry, officials said. The officials said the Chinese said they left Changde, Fujian Province on August 30. Their boat landed at Nagasaki on September 3.

The officials said they suspect two Chinese studying in Japan who came to see the 32 arrivals at Nagasaki upon their arrival are acquaintances of the 25-year-old group leader.

Chief Economist Urges Consumer-Oriented Policies

OW0709140489 Tokyo KYODO in English 0814 GMT 7 Sep 89

[Text] Tokyo, Sept. 7 KYODO—Economic Planning Agency Director General Sumiko Takahara Thursday called for a more "consumer-oriented" approach to resolving economic problems viewed by the United States as discriminative against outsiders.

Speaking at a luncheon meeting at the Japan National Press Club, the nation's chief economic planner said measures should be taken to rectify high land prices, long working hours and higher prices at home than abroad, areas which Washington asked Tokyo to redress at two-day trade talks ended here Tuesday.

"The postwar economic policy has made Japan one of countries with high per-capita income ... but these problems, I think, have kept the Japanese people from enjoying real affluence," said Takahara, a former journalist-turned economic critic.

"One of things I've felt most since I took office (last month) is that an era of consumers is at hand. We are now at a turning point," she said, referring to a shift in the economy to a consumer-oriented one from that tilted to producers. Her remarks echoed those made by U.S.

participants in the bilateral trade consultations, termed as the "Structural Impediments Initiative" and aimed at reducing the huge U.S. trade deficit with Japan.

The U.S. officials, headed by Richard McCormack, undersecretary of state for economic affairs, called for reforms in a wide range of structural areas which they see as barriers to foreign access to Japan's markets, among them land use policies, pricing mechanisms, too long working hours.

Speaking of pricing mechanisms which the U.S. officials claimed make imports expensive to Japanese consumers, Takahara voiced determination to deal with the issue in earnest. "We'll tackle this problem in close cooperation with other ministries and agencies," she said.

Asked about the present economic situation, Takahara was optimistic, saying that the nation's economy has been growing steadily with strength in consumer spending and corporate capital outlays.

Prices of goods have also been stable, she said, noting that inflationary effects of the consumption tax seen for a few months after its introduction last April already have disappeared.

Takahara also said the narrowing trend in Japan's trade and current-account surpluses is likely to continue for a while despite the yen's weakness since mid-May. "In economic theory, a lower yen will translate into export growth. But I don't think the latest weakness of the yen will trigger a surge in exports as our economy is becoming more dependent on domestic demand," she said.

Japan's current-account surplus, for instance, fell in July from a year before for the fifth straight month, narrowing to 5,308 million dollars on an unadjusted basis from 6,498 million dollars a year before.

Finance Minister 'Anxious' About Low Yen Value

OW0809044589 Tokyo KYODO in English 0323 GMT 8 Sep 89

[Text] Tokyo, Sept. 8 KYODO—Japanese Finance Minister Ryutaro Hashimoto said Friday he is anxious about currency levels, indicating his view that the yen's present exchange value is much too low. He also expressed anxiety that the yen's continuing low level would trigger a rise in prices.

Hashimoto disclosed the view in a press conference while commenting on the recent downtrend of the Japanese unit in exchange markets.

Moves To Support Yen Hinted

OW1109200689 Tokyo KYODO in English 0955 GMT 11 Sep 89

[Text] Tokyo, Sept. 11 KYODO—A senior Finance Ministry official indicated Monday that Japan will upgrade its fight against the dollar's current strength with

increased yen-supporting intervention in coordination with other Group of Seven (G-7) nations.

The official, speaking on condition of anonymity, told reporters that Japan will "beef up cooperation with other monetary nations" in defending the yen, while expecting the situation in the foreign exchange market to become calm.

Asked about policy coordination among the G-7, the official said, "I don't think policy coordination among (G-7) has collapsed." The official said, however, that "the developments (in the currency market) in the past few months have made me worried about (currency rates)." The official was referring to the dollar's recent upswing against the yen, which has led the Bank of Japan to step into the market in favor of the yen.

In Tokyo Monday, the dollar closed at 147.77 yen, up 1.15 yen from Friday.

DSP Head Outlines Coalition Government Policy

OW1109055589 Tokyo KYODO in English 0457 GMT 11 Sep 89

[Text] Tokyo, Sept. 11 KYODO—Full and unconditional acceptance of the Japan-U.S. Security Treaty and the Self-Defense Forces (SDF) is a prerequisite for the Democratic Socialist Party (DSP) to participate in a coalition government with other opposition parties, the DSP chairman said Monday.

The DSP is also poised to push nuclear power generation while seeking to ensure its safety, party Chairman Eiichi Nagasue said.

Nagasue disclosed the basic strategy for a possible coalition government with the Japan Socialist Party (JSP) and other opposition forces at the DSP Central Committee meeting held at a Tokyo hotel.

The DSP leader criticized the policy outlines earlier laid down for a coalition government by JSP Chairwoman Takako Doi and Secretary General Tsuruo Yamaguchi as "running counter to reality."

The JSP move, encouraged by its major victory in the July 23 upper house election, is designed to pave the way for the next general election for the House of Representatives and replace the present Liberal Democratic Party (LDP) government.

In a keynote speech before a party meeting in Shizuoka Prefecture on August 21, Yamaguchi said the JSP would respect the maintenance of the Japan-U.S. security pact and of the defense forces in view of the needs of diplomacy. The party, however, would adhere to the three nonnuclear principles as maintained by previous governments of not producing, possessing, or allowing nuclear weapons into Japan, and would seek to abolish joint military exercises and eventually the phasing out of U.S. bases in Japan, Yamaguchi said.

Doi promised in her latest policy outline to keep the bilateral security pact and SDF frameworks while putting limits on the latter's role, under a coalition government of the JSP and other parties. The "Doi vision" also called for strict adherence to the three nonnuclear principles, and envisioned limits to nuclear power as a source of energy.

On Monday, Nagasue said the shift in the JSP stance is still insufficient as a strategy for realizing a coalition government. The new JSP policy outlines are still aimed at realizing a nonaligned, neutral, and disarmed state, he said.

The DSP makes it a prerequisite for joining ranks for a coalition government to clarify that Japan is a Western ally, and in this context, fully recognize the Japan-U.S. security pact, and the SDF as constitutional, he said.

The JSP has maintained the SDF violates Japan's Constitution, which states that the country shall not maintain armed forces.

DSP officials said Nagasue will announce the details of his coalition policy next month.

At Monday's Central Committee session, Nagasue's plan to proceed with a coalition strategy against the LDP by four opposition parties—DSP, JSP, Komeito and United Social Democratic Party (USDP)—was the target of criticism by intraparty local chapters and affiliated organizations. Some participants argued it is difficult to distinguish policy differences among the four parties, while others claimed Japanese do not favor the formation of a JSP-led coalition government as advocated by Nagasue.

On the bill aimed at abolishing the unpopular consumption tax, which Nagasue also said will be jointly proposed in the next Diet session this fall by the four opposition parties, other local chapter members said the DSP should have adopted an "amendment policy" rather than seeking its abolition. Also in the session, former DSP Chairman Ryosaku Sasaki officially announced his intention to resign from politics for health reasons.

Meanwhile, opposition party Komeito Secretary General Yuichi Ichikawa said Monday that the JSP should take a clear stand on whether the Self-Defense Forces are constitutional. He also expressed doubt concerning the JSP's weak evaluation of the Japan-U.S. Security Treaty, lack of a clear policy on whether to seek a "socialist Japan," or whether atomic power plants should continue to operate in Japan.

Budget Requests for Fiscal 1990 Rise 11.4 Percent

OW0809045289 Tokyo KYODO in English 0143 GMT 8 Sep 89

[Text] Tokyo, Sept. 8 KYODO—Budget requests by Japanese Government departments for fiscal 1990 total 67.32 trillion yen, an 11.4 percent increase over the fiscal 1989 budget, the Finance Ministry announced Friday.

In a report presented to the cabinet, the ministry said the rise in budgetary demands for the next fiscal year starting on April 1 is mainly because of massive debt-servicing costs, providing clear evidence of the heavily debt-dependent national budget.

The sum of such funds requested for financing redemption of outstanding government bonds and related interest payments showed a 37.5 percent surge, amounting to 16.04 trillion yen and representing nearly a quarter of the total budget requests, it said.

The nation's budget has been tottering under huge outstanding bonds since the government began issuing of debt-financing bonds in fiscal 1975, forcing the ministry to stick to an austere fiscal policy with the aim of terminating issuance of such bonds in fiscal 1990.

According to ministry estimates, the balance of government bonds, including those issued to finance public works, is expected to total some 161 trillion yen at the end of fiscal 1989, nearly triple the 60.41 trillion yen fiscal 1989 budget. An official at the ministry's Budget Bureau said, however, that the increased debt-servicing expenditures are in part due to a technical factor relating to the method of preparing the report.

Under the method, the figures were tallied on the assumption that a fixed portion of the amount equivalent to outstanding bonds will be earmarked for debt servicing, a measure that is legally required, but for which there can be an exemption. Also, the debt-servicing costs were calculated on the assumption that the 1.73 trillion yen net surplus in the fiscal 1988 budget will be used for debt servicing, a step that is in line with another stipulation that more than half a net surplus in the budget should be carried over into the coming year's budget to finance debt-servicing costs.

The budget requests, filed by the August 31 deadline and subject to the ministry's strict review, are for spending on the general account.

Excluding the debt-servicing outlays, the requested budget allocations posted a 3.0 percent increase, the maximum growth set for budget requests for fiscal 1990 under guidelines adopted by the cabinet in mid-July.

Highlighting Japan's commitment to expand aid to developing countries, the budget requests feature strong growth in overall official development assistance (ODA), raising it to 833.9 billion yen, up 10.3 percent. Growth is also strong in appropriations sought on defense, up 6.35 percent to 4,168.6 billion yen, a reflection of U.S. demands for greater burden-sharing.

The requests also include 1.3 trillion yen for an investment-oriented special account incorporated in the general account. The special account is to be financed by revenue mostly from the fourth annual sale of government-held shares in Nippon Telegraph and Telephone [NTT] Corp. The ministry plans to offer the NTT stock

late this year, but the slumping price of NTT shares has made it difficult to set a schedule for the sale.

The ministry also submitted a report on requests for funds in the fiscal 1990 investment and loan program, a government-run scheme in a separate category from the general account to finance various spending programs. Such requests grew 27.5 percent to 41.14 trillion yen from the fiscal 1989 program.

The program, dubbed "the second budget" and equivalent to about half the general account, provides funds for spending on housing loans, roads and other investment-oriented projects not covered under the general account. The program, also known as "zaito," encompasses much of the nation's ODA as two major governmental lending institutions for the Third World—the Overseas Economic Cooperation Fund (OECF) and the Export-Import Bank of Japan—are subject to it.

Reflecting Japan's five-year, 65 billion dollar debt-relief program for developing nations which are burdened by heavy foreign debt, the OECF requested 651.5 billion yen, a rise of 14.7 percent, and the government-run bank is seeking a 39.7 percent rise to 1,190.0 billion yen.

As well as the general account, the ministry will scrutinize the requests on the "zaito" program, seeking to keep general-account spending growth at the 4 percent level and spending on the program "neutral" to the economy, ministry officials said.

The ministry is slated to work out its draft budget as well as its budgetary scheme on the zaito program by the end of this year for Diet debate.

Industrial Output Falls 2.1 Percent in July

OW3008094389 Tokyo KYODO in English 0713 GMT 30 Aug 89

[Text] Tokyo, Aug. 30 KYODO—Japan's industrial output in July fell a seasonally-adjusted 2.1 percent from June because of slumping exports and heavy inventory buildups, government preliminary figures showed Wednesday.

The nation's industrial output data in July, released by the Ministry of International Trade and Industry (MITI), reflected sluggish exports in volume terms together with restraints in production of machinery in general, a ministry official said.

The 2.1 percent fall in production compared with a 2.0 percent rise in June and a 0.5 percent gain in May following a 3.8 percent plunge in April. "The production data in recent months shows a rather irregular pattern, which is likely to continue toward the end of the year," the official said. "August will likely see a sharp rebound, but production will slow down in September," the official predicted.

A rebound and fallback in industrial production recently is partly due to adjustment by manufacturers who are

trying to maintain the balance between production and inventory buildups, he said. While production of machinery in general and compact cars declined during the month, that of plastic goods rose.

In terms of shipment, transport machinery and steel products sagged in contrast to precision instruments and plastic goods.

The production index for July stood at 118.6 against the base of 100 for 1985 and the shipment index 118.8, down 2.7 percent from June.

Among products heavily stockpiled in July were steel, nonferrous metal, paper/pulp products and electrical machinery. The inventory index came to 107.6, up 0.3 percent, the data showed.

Steel Exports Continue Decline in July

OW3008141789 Tokyo KYODO in English 1202 GMT
30 Aug 89

[Text] Tokyo, Aug. 30 KYODO—Japan's steel exports suffered a year-on-year drop for the second consecutive month in July, plunging by 15.9 percent from the previous year to 1,698,000 tons due to sizable cuts in shipments to the Soviet Union, China, Taiwan and the United States, an industry association said Wednesday.

The Japan Iron and Steel Federation said they were also down 3.4 percent in dollar terms, but up 4.1 percent in yen terms. The July export prices averaged 780 dollars per ton, up 16 dollars over the previous month.

Shipments to the Soviet Union plunged 53.8 percent from a year earlier to 91,000 tons, to China fell by 24.4 percent to 296,000 tons, to Taiwan by 17.9 percent to 172,000 tons, to the U.S. by 5.1 percent to 147,000 tons. Meanwhile, Japan imported 519,000 tons of ordinary steel materials last month, up a hefty 29.3 percent over a year earlier, but down 1.9 percent from the preceding month. Major suppliers were South Korea with 238,000 tons, up 24 percent over a year earlier, Brazil 60,000 tons, ahead 76 percent, Taiwan 42,000 tons, up 25.5 percent, and the U.S. 24,000 tons, a 22-fold increase, it added.

* Economy Faced With Approaching Crisis

41060154 Tokyo JIHYO in Japanese Jul 89 pp 48-54

[Interview with Economic Planning Agency Planning Bureau Director Tsuneo Unno by economic commentator, Yujiro Yamamoto; date and place not given]

[Text] One year has passed since the implementation of the current 5-year economic plan, which will be in effect until 1992. The Economic Council has recently compiled a report on the status of the implementation of the current 5-year plan. JIHYO interviewed the "guardian" of the 5-year plan, Economic Planning Agency Planning Bureau Director, Unno Tsuneo, to discuss issues relevant to the implementation of the plan.

Business Is Good, and Workers Are Still Putting in Overtime

Yamamoto: Now that a year has passed since the new 5-year plan was approved by the cabinet under the rubric, "A Japan That Lives With the World," in May of last year, I assume that you are undertaking a follow-up.

Unno: Once every year, the Economic Council reviews the status of the plan, and reports to the government on how it should manage the economy in the future, based on the results of the review. Starting in November of last year, the Economic Council promoted the creation of a Plan Promotion Council. Since the plan was adopted, Japan's economy has been growing in the way that was envisioned. There has been a slight increase in exports, but the current account balance as a percentage of GNP is gradually decreasing, and prices continue to be stable.

Yamamoto: In other words, the so-called large-scale domestic economy is developing. This is one of the tasks confronting us in managing the economy at this time.

Unno: With the continuation of stable prices and economic growth based on domestic demand, policymakers will be required to correct the economic imbalances. The next task will be to implement policies designed to achieve that end, but first of all, the people will have to feel that their lives are being improved, the industrial structure will have to be made more efficient, regional economies will have to be brought into balance, and imbalances with other countries will have to be corrected so that Japan can make a contribution to the world. These are the main elements of the plan.

Yamamoto: What do you think of the policies for carrying out these tasks?

Unno: I think that there is a third element in these plans, namely the establishment of a basis for development. If one takes into consideration the infrastructure, social security, education and culture, and science and technology, as a whole, they point out the backwardness of our policymaking. Of the three tasks mentioned above, the most important one is to give the people the feeling that their lives are being improved. This would be based on the three "pillars" of land and real estate measures, reduction of working hours, and revamping of the price structure to narrow the gap between foreign and domestic prices.

Yamamoto: These issues are now being debated, aren't they?

Unno: Actually, no progress has been made in the area of land and real estate prices, but little by little, a general outline of an overall land policy is being formulated. Regarding the reduction of working hours, the goal is 1,800 hours per year, and the 5-year plan calls for a reduction of about 300 hours, but no progress has been made in this area either.

Yamamoto: The economic boom has brought about an increase in overtime.

Unno: We have to popularize the 5-day work week in all companies and in all regions. There are problems, especially in the small and medium-sized companies, and it will be necessary to institute this system throughout each region, and simultaneously in parent companies and their subcontractors. Some companies have managed to reduce their in-house working hours to 40 hours per week, but the overtime hours have been transferred to subcontractors, thereby increasing the total annual working hours.

Yamamoto: Is it a question of labor costs?

Unno: Subcontracting work out to outside suppliers has the effect of creating demand, and hiring part-time workers is most advantageous from the standpoint of cost. Thus, if payments to outside workers are increased, it means a decrease in the number of hours worked by the company's own employees, but the fact of the matter is that workers give priority to income over working hours.

Yamamoto: There is also the issue of annual paid vacations. It is especially difficult to take consecutive holidays.

Unno: The average vacation is about 10 days. Civil servants have 20 paid vacation days, but private industry has not yet come up to this level, and there are companies where the workers cannot take their full vacation time. Although according to the statistics, Japanese workers work 2,100 hours per year, the working population is divided into two poles: the part-time workers who put in about 1,500 hours per year, and the workers who put in 60 hours each week.

Divided Opinion on the Acceptance of Foreign Workers

Yamamoto: Is the gap between foreign and domestic prices the result of regulation and protectionism?

Unno: There are a number of problems, such as the fact that inexpensive imports are "swallowed up" by the distribution system, and the remaining high level of restrictions on imports. We have to do something about these problems.

Yamamoto: The issue of the balanced development of regional economies is one that has yet to be resolved in Tokyo.

Unno: Although a variety of measures have been proposed, such as a "resort law" for the decentralization of population and industries to the local regions, and promoting local regions by means of the "Multipolar Dispersion National Land Development Law," the situation actually has not seen any improvement. There is now a debate over restructuring the relationship between the national government and local areas so that the local areas will have more authority. In the area of industrial restructuring, considerable progress has been made in overcoming the high yen, but no progress has been made in the "cultivating industries in local areas," as indicated in the 5-year plan.

Yamamoto: What about the great theme of making a contribution to the world?

Unno: Japan must expand its domestic markets and increase its domestic economic growth, so as to make it easier for foreign companies to enter the Japanese market, and information must be made available to consumers so as to make foreign imports more accessible to them. There are also many other issues, such as how to deal with accumulated debt, accelerating the recirculation of capital (surplus) funds, and increasing official development assistance (ODA). In addition, the issue of the employment of foreign workers in Japan is being discussed as a way for Japan to make a contribution to the world. A number of proposals have been made at various conferences, but no good ideas have resulted.

Yamamoto: But actually, there are between 100,000 and 300,000 illegal workers in Japan.

Unno: Politicians, bureaucrats, economists, and scholars disagree about whether or not the employment of foreign workers is a good idea, but they all agree that things should not be left as they are now. It is difficult to get a clear understanding of what Japan's position should be regarding the importation of workers. There is a consensus that Japan should admit language teachers and scientists, but it is unrealistic to seek out and deport the manual laborers who are working in Japan on expired 3-month visas.

Yamamoto: It would indeed be a difficult thing to do.

Unno: A variety of specific issues are being debated: How many should we allow in, and for what periods of time? Should we permit foreign workers to come with their families? Should we limit foreign workers to certain fields only?

Yamamoto: What about issues such as the future infrastructure and welfare pensions?

Unno: We are now faced with issues such as how social security will adapt to the aging of the population. If the age at which pensions start to be paid is raised, there will be the problem of employment of senior citizens. Ten years from now there will be the question of what to do about the elderly people who moved to big cities during times of high economic growth.

This is a problem more for the large metropolitan areas than for rural areas, and will have to be dealt with in the future.

The Future Issue Will Be Japan's "Internal Dealing" With Its Problems

Yamamoto: I inquired about the political implementation of economic planning in general, but as I listen to your replies, I find that there are quite a few problems. The prerequisite for the plan is the "preliminary report," which indicated that the economy as a whole will be driven by domestic demand.

Unno: That is true from a macro point of view, but the main causal factor is the appreciation of the yen. There is no guarantee that the yen will continue to rise, and it is possible that exports will start to increase again due to economic conditions overseas. If the current conditions continue, we can't be very optimistic, and I think that changes will have to be made in domestic systems and structures in order to adapt. The report of the Economic Council indicated that the greatest policy challenge is to solve the problems through domestic adaptation by making it easier to expand domestic demand and to increase imports, rather than by altering external factors such as the strong yen.

Yamamoto: Domestic demand cannot increase all by itself. Viewed from the standpoint of the strength of the consumption and plant and equipment investment that drive the favorable economic conditions, there are those who believe that the economic expansion that has already lasted for 30 months is expected to continue.

Unno: In the past, Japan's economy has been driven by exports, and now that the economy is starting to go into a decline, there is the worry that the economy will once again become dependent on exports. Even if there is some fluctuation due to changes in domestic systems, a structure must be created so that domestic demand can be increased. The U.S.-Japanese economic friction in itself poses a potential crisis, so it would behoove Japan to expand its imports. This is the biggest policy issue.

Yamamoto: This would also apply to the liberalization of markets, relaxation of restrictions, and land and real estate issues as well....

Unno: While land prices, working hours, and the gap between foreign and domestic prices are the "pillars" that would give the people the feeling that their lives are being improved, the economic system must be changed so that domestic demand is increased and it becomes easier to increase imports. If the price of land is reduced, the rate of investment in infrastructure will increase, home construction will increase, and the cost of shop rental will decrease, which will also affect the cost of goods. Even if working hours are reduced, one should expect 70 percent of that to return to the companies.

Yamamoto: Labor tightness is expected to increase.

Unno: Since companies have to cover themselves for the decrease in the number of working hours, their investments will be aimed at streamlining and improving efficiency, which means that the quality of capital will be improved. In order to obtain a greater effect for less work, management know-how will have to be improved. Shorter working hours should be viewed as a plus for economic growth, rather than as a minus.

Yamamoto: According to the Economic Planning Agency, the market value of all the land in Japan is 1,400 trillion yen, which is 100 times the value of land, per unit price, as that in the United States. This situation might

be characterized as "propertyism," and since this expensive land is used as collateral for bank loans, a drop in land prices would bring about tremendous changes, wouldn't it?

Unno: Of course, a drop in land prices would be good. I hope that prices will not go above what they are now, and even decline a little, if possible. Actually, prices have started to decline a little in the Tokyo area, but the overall level is still high. The trend toward lower prices is starting in Osaka as well, so things are not standing still. I think this issue should be taken up in the area of tax reform.

Yamamoto: The Basic Land Bill has been submitted to the Diet. This bill has to be quickly passed and put into effect.

Unno: Somewhere between 60 and 80 percent of Japanese people own land, but in the rural areas, young people don't own homes any more.

If Women Enter the Workplace, It Will Become Brighter

Yamamoto: Japan is now faced with a tremendous labor shortage. This problem is related to the issue of working hours, and the issue of foreign workers cannot be overlooked either.

Unno: According to statistics compiled in 1986, there were 70,000 aliens staying in Japan after expiration of their 3-month tourist visas, and another 10,000 or so students staying in Japan to work after expiration of their visas, making a total of between 100,000 and 150,000 illegal aliens working in Japan. According to the 1986 statistics, about 30,000 aliens had permits to work in Japan, and it is thought that the number has increased by about 50 percent, due to the increase in the number of foreigners working in the financial industry. There are also people working in a semilegal, semi-illegal fashion, such as cooks.

Yamamoto: Foreign workers work in jobs that Japanese do not want to do, because they are too dangerous, dirty, and demanding, and are those jobs at the lower end of the social scale.

Unno: This presents a big problem for Japan. However, I think there is room for the Japanese to change their point of view on this. For example, I saw a woman operating a dump truck at a construction site the other day, and I thought, "So, women have come this far?"

Yamamoto: The number of women enrolled in university civil engineering courses is on the increase.

Unno: Working conditions at construction sites are poor, and earth moving and construction contracting jobs have long been unpopular, but the fact that women are working in them means that the image of such jobs is changing. Work sites where women are working will take on an improved image, and I've heard that they are much brighter places to work.

Yamamoto: But it is still a fact that the relationship between business conditions and the labor supply and demand is sensitive, and there are imbalances in the work itself, making for a problem of mismatching. Young people are very outspoken about what kinds of work they like and don't like, and big changes have taken place on the demand side of the economic and industrial structure. Structural shortages are prevalent in construction and systems engineering, and there is a shortage of nurses. Given this situation, the precipitous introduction of a 5-day work week or reduction in working hours would cause confusion and trouble.

Unno: However, there are no other industrialized countries in which people work 2,100 hours a year, and the 5-day work week is common in Southeast Asian countries like Thailand. Japan is not following international norms.

Yamamoto: Japan's long working hours do not necessarily mean that people are working hard. Japanese people like being at their place of work, and tend to find family and neighborhood affairs troublesome. Many Japanese are satisfied to go out drinking and play golf with their co-workers, and would not know what to do with vacation time if they took it.

Unno: That is a problem. People live to be in their eighties these days, so the question is, what to do with the 20 years remaining after retirement at the age 60. Most people do not know how to spend time away from the work place. If every day were like a Sunday, they would lose their will to live since they would have no particular schedule to fill, and they would become old folks staring off into space.

Yamamoto: There are lots of old people who still have the mental and physical energy to work, but employers have shut them out because of their physical age. I think we should consider the future aging of society, and think seriously about building facilities where senior citizens can work.

Unno: However, the fact is that there are very few old people who can put their knowledge and experience to work, and we have no system for taking advantage of these resources. Since these senior citizens have spend 40 years working, they now want to find a reason for living in their own daily lives. The useful working age can probably be extended from 60 to 65 at the most.

Yamamoto: Senior citizens would not work in the same way as young people, but would work 2 days a week, or 3 hours a day, or they might work at home. There is some room for creativity in structuring the working conditions.

Unno: But I don't think this would work for everybody. It's possible for a civil servant to work as a teacher, but only until age 65, I suppose. After that, they could choose from a "menu" of activities, such as hobbies, exchanges with other people, or travel. In the future, about 1 million elderly people will be bed-ridden, and even if the number of sick people is reduced by 100,000 or 200,000, it would place some psychological pressure on young people.

Yamamoto: Regarding the question of whether people actually feel that their lives have improved, in other words, the gap between foreign and domestic prices: there is a deep-rooted antipathy among bureaucrats in the Ministry of Transportation and the Ministry of Agriculture, Forestry, and Fisheries toward relaxing restrictions. What is your opinion of that?

Unno: Restrictions come from the public sector, and are a part of the job of many public officials. Removal of restrictions is a threat to the jobs of these officials, so they are naturally opposed to them. However, this is no longer the age of protection of infant industries. The reason why Japanese tourism is underdeveloped is because of excessive restrictions on entry and on fares. For example, it is true that the strong yen has had an effect on price differences in airfares, depending on the direction of travel, but if one compares transportation costs with domestic prices and income levels, one must conclude that they are too high. The salary level among airline workers is high—consider that a pilot earns an annual income of more than 20 million yen. That seems to be a bit high.

Yamamoto: Now that Japan is such an economic superpower and creditor nation, it should be able to open its domestic market to foreign airlines.

Unno: Political and bureaucratic nationalism are at a standstill. It is basically the desire of the regulators to stay in power that is behind this procrastination.

Lower House Elections Predicted Before Year End

OW0909082589 Tokyo KYODO in English 0332 GMT 9 Sep 89

[Text] Kurayoshi, Tottori Pref., Sept. 9 KYODO—Former Liberal Democratic Party Policy Affairs Council Chairman Michio Watanabe said on Saturday that a House of Representatives election may be held before the end of the year. "I don't think that (the election) will be held in spring," Watanabe told a local LDP gathering.

The lower house election must be held by July next year.

Watanabe also vowed that the LDP will maintain power even if it loses its majority in the lower house, as long as the party retains the largest number of seats.

The LDP suffered a major upset in the House of Councillors election in July, and some LDP politicians fear the party may also lose its overall majority in the lower house.

Kaifu Campaigns for Upper House By-Election

OW1309080789 Tokyo KYODO in English 0633 GMT 13 Sep 89

[Text] Mito, Sept. 13 KYODO—Prime Minister Toshiki Kaifu stumped here for his party's candidate in the October 1 by-election for the Ibaraki prefectural constituency of the House of Councillors as the campaign got under way on Wednesday. Three ruling and opposition

party candidates filed their candidacies for the Upper House by-election, the first Diet election since Kaifu took office on August 10.

The candidates are Itsuo Nomura, 47, endorsed by the ruling Liberal Democratic Party (LDP), Shizue Hosogane, 63, backed by the Japan Socialist Party (JSP), and Setsuo Yamada, 41, supported by the Japan Communist Party (JCP).

The election will fill a seat vacated by the death of LDP member Niro Iwakami.

Kaifu, accompanied by Chief Cabinet Secretary Mayumi Moriyama, visited Mito and made street speeches appealing for a win in the by-election as a prelude to the next general election of the House of representatives, which must be held by next July. Kaifu also said his party must win the next general election "to defend freedom and democracy and ... contribute to world peace and stability."

At a meeting of supporters of the LDP candidate here, Kaifu indicated his party will promote drastic political reform to tide over the crisis facing the LDP after its heavy defeat in July's Upper House elections.

Kaifu also reiterated his party will work out a draft by November to review the 3 percent consumption tax, introduced in April and demanded by the opposition to be scrapped.

In stressing freedom and democracy, Kaifu also indirectly criticized Vietnam's political system for resulting in many refugees, though he did not refer to Vietnam by name. "Which country is the most wretched in Asia? The political system of a country which is bringing forth many refugees is not good," Kaifu said.

He said, "Afghanistan fought the Soviet Union with bamboo spears ... In Berlin, there are still people who risk their lives to cross the East-West wall." "People in the Soviet Union, Poland and Hungary are seeking freedom and democracy," Kaifu said.

Citing recent press opinion polls on his cabinet, Kaifu said the LDP is regaining the public's support step by step.

JSP Vice Chairwoman Mitsu Kaneko also visited here and appealed to voters to support the JSP candidate in the Ibaraki by-election. Kaneko described the election as having an important bearing on deliberations at an extra Diet session this autumn and the possible early dissolution of the Lower House.

Abe Supports Extension of Kaifu's Tenure

OW1209122789 Tokyo KYODO in English 1122 GMT 12 Sep 89

[Text] Yamaguchi, Sept. 12 KYODO —Shintaro Abe, head of the second largest faction of the Liberal Democratic Party (LDP), said Tuesday he would like to see

Prime Minister Toshiki Kaifu remain in office beyond October, when his tenure is due to expire.

The LDP's former secretary general also told his constituents that the House of Representatives, which will convene in an extraordinary session of the Diet later this month, should be dissolved for a general election after the fiscal 1990 budget bill is completed. Abe hinted that early elections are likely since opposition parties will forcefully demand that the Lower House be dissolved during the extraordinary session, which is expected to start by the end of this month.

He also urged his colleagues in the LDP to seriously consider revising the unpopular consumption tax which contributed to the party's setback in House of Councilors elections held in July. Abe said the tax, which was introduced in April, should be used strictly for meeting welfare needs and that food, medicine and education should be exempt from the levy.

The faction leader also praised Kaifu for his performance in a recent summit with U.S. President George Bush in Washington and the prime minister's expressed willingness to consider changes in the Consumption Tax Law.

Government Report Lists Kaifu Cabinet's Assets

OW1209123489 Tokyo KYODO in English 0942 GMT 12 Sep 89

[Text] Tokyo, Sept. 12 KYODO—Foreign Minister Taro Nakayama is the wealthiest member of the cabinet of Prime Minister Toshiki Kaifu, a government report said Tuesday. Total assets owned by Nakayama and his family when he assumed the position on August 10 was 666 million yen, according to the government report on assets of cabinet ministers and their families. The selling of a housing complex in Tokyo at the end of last year was a major contributor to his wealth, the report said.

Prime Minister Kaifu and his wife Sachiyo held a total of 107 million yen worth of assets, placing Kaifu eighth on the list among the 21 cabinet members. The value of real estate and stock shares in the report was calculated on the basis of official real estate register and face values of shares, which are substantially lower than market prices. Kaifu's house in Tokyo is now worth approximately 730 million yen, according to real estate sources.

Cabinet members' assets in the form of land, houses, deposits, stocks and so on, have been made public since 1984.

Since June this year, when former Prime Minister Sosuke Uno assumed the post, the reports have also included assets owned by family members.

According to the report, the amount of assets disclosed by Kaifu and his 20 state ministers ranged from 29 million yen to 666 million yen. The number of state ministers who reported more than 100 million yen in assets was eight, down from 12 in the former Uno cabinet.

Second richest state minister was Chief Cabinet Secretary Mayumi Moriyama, who holds 231 million yen, including 320,000 stock shares worth 17 million yen in face value. The shares would be valued at more than 500 million yen on the current stock market, industry sources estimated. Least wealthy was Defense Agency Director General Juro Matsumoto with 29 million yen, the report said.

Family assets accounted for 20 percent of the total, but the third richest state minister, Science and Technology Agency Director Eizaburo Saito, said 90 percent of his reported assets were held under his wife's name, the report said.

Moriyama said the same day that all cabinet ministers will deposit the stock shares they and their families own with trust banks by next Tuesday, suspending their transactions while they are in office.

Since June this year, cabinet members have also disclosed the amount of cash and other tangible assets held by them when they leave office.

Of the members of the short-lived former Uno cabinet, former Construction Minister Takeshi Noda was the only person whose assets increased during the 69 days in power through purchases of national bonds worth 300,000 yen, the report said.

North Korea

Further Reportage on Military Armistice Meeting

SK1209130589 Pyongyang Domestic Service
in Korean 1100 GMT 12 Sept 89

[Text] The 451th meeting of the Military Armistice Commission [MAC] was held today at Panmunjom at the request of our side.

At the meeting, our side denounced the U.S. imperialists for massively introducing aggressive forces into South Korea and hastening nuclear war preparations these days and strongly demanded that they take measures for the removal of the grave danger of a nuclear war.

Recalling the fact that at the 448th MAC meeting held on 9 May, our side proposed to hold a face-to-face meeting between the two sides for serious negotiations to eliminate the grave danger of nuclear war on the Korean peninsula, General Choe Ui-ung, senior member of our side, said that the U.S. side has steadily increased nuclear forces and frantically accelerated the preparations for nuclear war, and he indicated the following:

The U.S. side is replacing some 50 F-16A fighter bombers, deployed in South Korea, with new modern type F-16C's and F-16D's. These modern fighter-bombers are equipped with radar-guided missiles. Since the flying range of the F-16 fighter-bomber far exceeds 3,000 km, even if we estimate their action radius at 1,500 km, it is clear that these fighter-bombers can wage a nuclear strike not only on the entire area of the

northern half of the Republic but also on other countries. This clearly shows how feverishly the U.S. side is modernizing nuclear strike means.

The U.S. side is also planning to newly deploy F-15E fighter-bombers, loaded with nuclear weapons, in South Korea. With the U.S.-South Korea Military Committee Meeting and the U.S.-South Korea Security Consultative Meeting, that were held in Washington not long ago, such maneuvers to beef up nuclear forces and to prepare for nuclear war have been kicked up in earnest. During these war talks, the U.S. side mapped out a scheme to continuously station the U.S. forces in South Korea, to continuously beef up nuclear forces, and to continuously conduct such nuclear war exercises as "Team Spirit." At the same time, a more concrete plan for a nuclear war was mapped out, and nuclear strike means were hastily deployed. This is a very ominous military move.

Our side's senior member showed the U.S. side's videotaped materials showing the enemy's reckless nuclear war maneuvers. He went on to say:

Today, stored in South Korea are nuclear weapons of almost all sorts and types that the U.S. side has produced and deployed overseas in the past, including nuclear warheads that can be loaded in conventional weapons; first-generation nuclear weapons; tactical nuclear weapons that have a firing range of 1,000 km and neutron bombs—third-generation nuclear weapons. South Korea has been turned into the largest nuclear weapons storage in the Far East, where some 1,000 nuclear weapons are concentrated, and nuclear war exercises have been conducted in earnest every year.

Countless nuclear weapons are on stand-by for a Korean war in Japan, Okinawa, Guam, and the Philippines, which surround South Korea. In the wake of the "Team Spirit-89" joint military exercise, B-52 fighter-bombers have recently flown to South Korea to stage nuclear bombing exercises.

For a week or so just in August, A-6 assault aircraft and tens of F-16 fighter-bombers were dragged into South Korea to conduct strike exercises with targets on the ground and in the sea. From 9 to 18 August, the U.S. side dragged in about 80 military aircraft of various models under the pretext of a mobile-deployment exercise, staged a bomb-dropping exercise, and left some of them in South Korea after the exercise.

The "Ulchi Focus-89" war exercise, which the U.S. side staged from 21 August to 1 September, was also a nuclear war exercise simulating aggression against the northern half of the Republic.

Noting that our side can by no means overlook the nuclear war commotions, which are becoming graver with each passing day, the senior member of our side asked where the U.S. side is leading the situation while continuing to introduce nuclear weapons into South

Korea and to perpetrate nuclear strike exercises, despite the fact that it has turned South Korea into such an area as it is today.

Saying that under the circumstances in which U.S. high-ranking officials have openly talked about the use of nuclear weapons in Korea and in which the commander of the U.S. Forces in South Korea has been practically authorized to use nuclear weapons, no one can predict when a nuclear war may break out; our side stressed that nuclear war commotions will make the Korean nation victims of nuclear calamities and plunge mankind into the flames of a nuclear war. However, the senior member of the U.S. side tried not to respond to the discussion of the problem under the unreasonable pretext that the problem of removing the danger of a nuclear war does not come within the authority of the MAC.

The senior member of our side immediately refuted his assertion as follows:

As everyone knows, Subparagraph 13D clearly stipulates a ban on the introduction of reinforcing arms from outside Korea and it still remains effective today.

The stipulations of the Armistice Agreement do not become ineffective just because one side has declared their abrogation.

According to Paragraphs 61 and 62 of the Armistice Agreement, amendments and additions to paragraphs of the agreement must be mutually agreed to by the two sides. However, there has never been any agreement between the two sides on the abrogation of Subparagraph 13D of the Armistice Agreement. Therefore, the introduction of nuclear weapons into South Korea has been, is, and will be a starkly wanton violation of the Armistice Agreement, and is the most important question which should be dealt with at the MAC.

The reason Subparagraph 13D of the Armistice Agreement has not been implemented is that the U.S. side has unilaterally given up its implementation and has intentionally not abided it by according to its aggression policy aimed at turning South Korea into a forward nuclear base and a flash point of nuclear war in the Orient.

Since the 1st day of the signing of the Armistice Agreement, the U.S. side has, indeed, resorted to all types of maneuvers to scrap Subparagraph 13D of the Armistice Agreement, an obstacle to its augmentation of armed forces. In June 1957, it unilaterally declared the abrogation of the subparagraph without any agreement. In February 1960, (?Vaniz), then chief of the staff of the U.S. Army, at a public hearing in the Committee of Appropriations of the U.S. House of Representatives, openly said: As a result of our efforts for several years, we have succeeded in abolishing Subparagraph 13D of the Armistice Agreement and accordingly, we have come to have new types of military equipment.

This vividly revealed the real aim of the U.S. side's unilateral declaration of abolishing Subparagraph 13D of the Armistice Agreement.

On 15 July, less than a month after it unilaterally declared the abrogation of 13D of the Armistice Agreement, the United States officially declared the commencement of nuclear arming of U.S. forces occupying South Korea and began to introduce various types of nuclear weapons into South Korea on a large scale.

For about 30 years since then up to the present, the enemy has introduced into South Korea and deployed there numerous nuclear weapons, ranging from minimum-size nuclear shells and bombs to operational and tactical nuclear missiles, and has built countless special nuclear weapon storehouses in Osan, Kunsan, Kongju, Ulsan, Taejon, and other places, thus turning South Korea into the largest nuclear base in the Far East.

In a nutshell, it can be said that the history of the U.S. occupation of South Korea over the past 30 years since the war has been a history of the buildup of nuclear weapons and a history of maneuvers to build a nuclear base.

Asking if the American people have ever seriously thought of how grave are the consequences that these nuclear war maneuvers which they have conducted in South Korea while wantonly infringing upon the Armistice Agreement will bring about in the future, the senior member of our side continued: The people of the world still remember the tragedy of nuclear holocaust caused by the atomic bombs dropped by the United States on Hiroshima and Nagasaki, Japan, in August 1945.

The explosive power of the nuclear weapons, which the United States has dragged into South Korea thus far, is said to reach 13,000 kilotons, more than 1,000 times as powerful as that of the atomic bombs dropped on Hiroshima.

How can those who have a conscience and reason as human beings look on with folded arms such a nuclear holocaust which will inflict grave disaster on mankind?

The senior member of our side said: Today the question of removing the maneuvers of nuclear arms buildup and the danger of a nuclear war is the most realistic and pressing one in alleviating tension on the Korean peninsula and defending peace there.

Noting that before massive nuclear weapons deployed in South Korea are withdrawn and the Korean peninsula is turned into a nuclear-free zone, a sense of confrontation and hostility between the two sides cannot be removed forever nor can confidence be created, he said that proceeding from sincere aspirations for preventing a nuclear war on the Korean peninsula and for defending peace there, our side once again proposes to the U.S. side that sincere negotiations over the question of removing the danger of a nuclear war be held.

He stressed that at these negotiations, the question of banning the introduction of arms and equipment,

including nuclear weapons, into the Korean peninsula by thoroughly implementing Subparagraph 13D of the Armistice Agreement, the question of abolishing the already introduced nuclear weapons and other mass-destruction weapons, and the question of turning the Korean peninsula into a nuclear-free, peace zone can be discussed.

However, the U.S. side unjustly refused to discuss the problem again, repeating their worn-out assertion that the problem is a political one and is propaganda.

Refuting how the question of removing the grave danger of a nuclear war prevailing on the Korean peninsula is a political issue and how proposing to discuss it is propaganda, the senior member of our side again urged the U.S. side to negotiate on the question of preventing the impending danger of a nuclear war and of guaranteeing peace.

However, the senior member of the U.S. side blindly refused our side's proposal without giving any proper reason.

Saying that the attitude taken by the U.S. side is an evasion of the obligation it assumes under the Armistice Agreement and an ignorance of the aspirations of our people and the world's peace-loving people for peace and security, the senior member of our side condemned the U.S. side sternly as follows: First, today's meeting shows that the U.S. side originally takes no interest in easing tension and removing the danger of war and shows that the U.S. side's remarks about the alleviation of tension, negotiations, confidence, and others are all false.

Our proposal for negotiations can be easily responded to by anyone who desires not war but peace.

As a matter of fact, if the U.S. side has even a small intention of easing tension on the Korean peninsula and it has any will to solve the problem by our sitting face to face with each other, it has no reason for not responding to this proposal of ours.

Second, today's meeting shows that the U.S. side's recent vociferous remarks about the North's arms buildup and modernization are false fabrications cooked up with a view to hiding its aggressive nature.

If the North's force of arms is superior and the U.S. side is worried about it as the U.S. side has said, why does it respond to the proposal for negotiations over both sides reducing arms together?

All facts clearly confirm that the United States is the ringleader who has divided our country and has aggravated tension in Northeast Asia and on the Korean peninsula and is the fundamental obstacle in the way of peacefully solving the Korean problem.

The augmentation of nuclear arms and nuclear war maneuvers run counter to the tenor of the present times. The time has passed when others can be overwhelmed

with power and the supremacy of the world can be obtained with nuclear weapons.

When foreign troops are being withdrawn from many areas in the world and nuclear weapons are being reduced, on what condition is the U.S. side stationing its troops in South Korea and why is it attempting to continuously maintain massive nuclear weapons and to further augment them?

Stressing that the two sides should make joint efforts to realize disarmament and to turn the Korean peninsula into a nuclear-free zone, the senior member of our side stated that our side will also continue to make all sincere efforts to this end in the future and that it is ready to have discussions with the U.S. side at any time, at any place, and on any level.

He emphatically said: If the United States truly wants detente and peace, it must prove this not with words but with practical actions and respond to calls for the withdrawal of the U.S. troops from South Korea and for turning the Korean peninsula into a nuclear-free peace zone.

DPRK Foundation Celebrated by Republic, Others

Editorial on Foundation Importance

*SK1309023089 Pyongyang Domestic Service in Korean
2210 GMT 8 Sep 89*

[9 September NODONG SINMUN editorial: "Let Us Tenaciously Fight for Endless Prosperity and Flourish of Socialist Fatherland"]

[Text] Forty-one years have passed since the DPRK, our glorious fatherland, was founded.

In the course of going through various stirring and exciting events, our Republic turned into a mighty independent state, vigorously demonstrating the true features of socialism. We are greeting this national holiday with lofty pride in the chuche fatherland, which is boundlessly displaying the dignity and glory of socialism.

Our Republic is the most precious and dignified revolutionary gain attained in the course of our people's arduous struggle for independence, sovereignty, and socialism.

The great leader Comrade Kim Il-song, who paid strict attention to resolving the issue of sovereignty from the early days, when he embarked on the path of revolution, founded the DPRK on 9 September 1948, based on his rich experience in building a regime obtained in the course of the unprecedentedly arduous, anti-Japanese, revolutionary struggle.

It is a great achievement made by the respected leader Comrade Kim Il-song to open a wide road to socialism and communism by founding a genuine socialist state for the first time in our national history. The founding of the

Republic is a historic event with great significance in our people's political life and in the development of our revolution.

The great leader Comrade Kim Il-song has taught: The founding of the DPRK was a great event with historic significance for the development of our revolution and our people's life.

The founding of the DPRK dawned the appearance of the independent people and the splendid birth of *chuche* Korea. Since that time, our people have been able to pioneer their destiny independently and creatively, as the genuine masters of the independent and sovereign country, and to have a powerful tool for socialist and communist construction.

With the emergence of the Republic as an eastern stronghold of socialism, our people could thwart the imperialists' maneuvers to eradicate socialism and make a great contribution to the overall socialist cause.

Over the 40-odd years since its founding, the Republic has attained great victory in the revolution and construction by overcoming arduous trials of history. Under the banner of the Republic, our people won a historic victory in the 3-year Fatherland Liberation War, confronting the U.S. imperialists—the ringleader of world imperialists—and honorably defended the dignity of the fatherland and revolutionary gains, while smashing the constant persuasive tactics of the enemy.

Even under difficult circumstances, with the nation divided and backward, our people built the most advanced socialist system on this earth and turned our fatherland into a powerful, prosperous, and flourishing socialist state.

Amid the victorious advance of the revolution and construction, the external authority and influence of our Republic have been incomparably enhanced. Indeed, the historic course along which the Republic has traversed is the history of proud victory, and history of creation and prosperity, during which a basic turning point was achieved in the destiny and course of the nation, and the great unprecedented golden age of the nation began.

We particularly take pride in remembering the course of struggle of the Republic, especially how we safeguarded the banner of socialism and fully demonstrated the great drawing force of socialism.

It is inevitable, in the course of history, that socialism overpowers capitalism, and makes long strides in taking advantage of victory. The historic mission and duty of a working-class country is to prove the decisive superiority of socialism as the true reality and to attain the final victory of socialism.

Our Republic created these great realities in this land, which is called the model of socialism, by brilliantly fulfilling such a lofty mission. Thus, we take great pride in the history of our Republic.

The history of our Republic is a proud one, which vigorously accelerated the cause of socialist construction with its own strength. During the entire period of revolution and construction, we were always faced with numerous difficult and enormous tasks. However, our party and the government of the Republic solved all the problems by completely depending on our people's strength, and consistently maintained the principle of independence, self-reliance, and self-defense.

The government of the Republic carried out the struggle to build the basis of socialism in a revolutionary manner to inspire our people's boundless strength, and gave primary consideration to self-reliance in achieving the historic cause of socialist industrialization. It is vigorously pushing ahead with today's struggle to attain a total victory for socialism, by firmly depending upon our *chuche*-oriented forces.

Chuche and self-reliance were the revolutionary banners which turned disaster into a blessing, and produced constant upsurges in socialist construction.

Today, all the great monumental creations of the era of the Workers' Party, which are visibly demonstrating the great appearance of *chuche* Korea, and the great powerful political and economic foundation of the Republic, are the gains that our people have obtained with our own strength by overcoming various hardships and difficulties.

We have gone through numerous unbearable difficulties and trials. However, we broke through them with our own strength, not depending on the strength of others. We take a deserved pride in this.

The course along which the Republic has traversed has a glorious history, in which the working-class position and revolutionary principle were firmly maintained in the state, social life, and socialist construction, which has victoriously advanced without the slightest degree of deviation.

The imperialists slandered and smeared socialism and viciously maneuvered to eradicate the socialist cause in the past. However, there was no change in the position of our party and the government of the Republic to continue the revolution until the independence of the popular masses was completely realized, no matter how frantic the antirevolutionary offensive of the reactionary imperialist forces was.

From the first day of its founding, the government of the Republic firmly safeguarded its revolutionary nature as the proletarian dictatorial regime—the revolutionary regime of the working-class.

The government of the Republic constantly strengthened the political and ideological unity of entire society, which served as a political foundation of a socialist state, and implemented the policy of strengthening the socialist possession and the system of planned economy in every way in the economic construction sector. In the cultural construction field, the government of the

Republic saw to it that the sound socialist, national culture came into bloom and developed.

There was not even a minor element in the policy implemented by the government of the Republic, which contradicted the basic interest of the working class, or the working popular masses, or revolutionary principle.

Although the socialist construction advances and objective circumstances of the revolution may change, the class nature of a socialist state can, by no means, change. As the revolution deepens, the functions and role of the socialist state should be further strengthened, instead of weakened.

Today, the government of our Republic sees to it that state and social life is led in conformity with the aspirations and demands of the working class, and that the entire society is dominated by a sound working class outlook on life. It is uncompromisingly struggling against the maneuvers of the imperialist enemy to damage the socialist system. It is invariably maintaining and glorifying its features as the pure and solid socialist regime. Herein lies the lofty authority and honor of our Republic.

The course of struggle, along which the Republic traversed, was a course of great reform, from which a great upsurge was achieved on the path toward progress and prosperity, by realizing the lofty ideal of socialism.

Under the banner of the three revolutions—ideological, technological and cultural—the struggle to reform society, nature, and men, has been vigorously carried out. Thus, the features of our fatherland changed so fast, and to such an extent, that no one saw it happen.

Today, the foundation of a solid, self-reliant, national economy, which is developing at a fast rate, without any economic fluctuation, has been created in our Republic, and the most difficult and complex work, to reform human beings in a manner of communism, has been successfully implemented.

Some time ago, the World Festival of Youth and Students was held in Pyongyang with the greatest success. This was a demonstration of great victory, won by our people in all domains of politics, economics, and culture in the past, and a clear showing of the Republic's might, which is being strengthened with each passing day.

Today our people enjoy a sound material life, a rich ideological and cultural life, and a revolutionary political life under the most superior socialist system.

It is rewarding for our people to live a sound and rich life as the masters of the state and society, without knowing any social evil, inequality, and worry-free regarding food, clothing, or shelter.

This proud reality serves as an answer to the question of history as to what socialism can do for the popular masses, and what contribution socialism can make to national prosperity and the civilization of humankind.

Our people, who traversed along the road of victory and glory under the banner of the Republic, firmly believe that the road of socialism is the only road by which national prosperity and happiness of all generations can be achieved. We are firmly resolved to advance to the finish, only along the road of socialism without the slightest degree of wavering.

The important factor that enabled our Republic to win the great success in the socialist construction in the past is that it accelerated the revolution and construction by upholding the revolutionary banner of the *chuche* idea.

The *chuche* idea is the great revolutionary ideology, which shows the straightest road for socialist and communist construction and is the unique guideline for all activities and policies of the government of the Republic. The *chuche* idea, a revolutionary theory for achieving the independence of the popular masses, demands that one builds socialist society in accordance with the demand of social man, who view the nature of their pertinent society with man as its basis, and who want to live independently and creatively.

Thoroughly based on this principle of the *chuche* idea, our party and the government of the Republic established the socialist system in our own way and carried out the building of the state in our own manner.

Our socialist society became a great revolutionary family in which the leader, the party, and the masses formed an immortal political organism, and all members of society shared their pain, pleasure, and fate with one another, and became a popular society where everything serves the popular masses. This is the brilliant fruition of this historic struggle.

The very source of soundness and unification of the socialist system in our country and of the indomitable might of our Republic is the *chuche* idea.

Today, the government of our Republic, putting forward the *chuche*-orientation of the entire society, as the general mission of our revolution, is vigorously pushing ahead with the struggle to achieve this mission.

Thanks to the revolutionary government, which tenaciously defends our party's *chuche* idea, no matter what way the wind may blow and carry out all domestic and foreign policies and activities of the state according to the demands of the *chuche* idea, our socialist cause will be victorious in the future, too.

The Republic could win great victory in the socialist and communist construction, because the revolutionary leadership of the party and the leader was thoroughly ensured. The leadership of the party and the leader in socialist and communist construction is the decisive guarantee for all victories.

Historic experience shows that only when the party's leadership is thoroughly ensured, can the socialist state

fulfill its historic mission and demonstrate the essential superiority of socialism by smashing various attempts to recover capitalism.

In our country, the guiding authority of the party has been firmly ensured in all domains of revolution and construction and, in particular, in the government organizations. This guiding authority became more solid and resolute as the revolution deepened.

Based on his scientific analysis of historic experience in the socialist construction of our era and of practical demands of our revolution, the great leader Comrade Kim Il-song put forward precise guidelines for socialist construction and wisely led our party and the government of the Republic, so that they consistently maintained these lines without the slightest deviation.

The unique lines elucidated in the respected leader's works, including the works "For Complete Victory of Socialism" and "Let Us Accomplish the Socialist and Communist Cause by Upholding the Revolutionary Banner of Chuche," became an ideological and theoretical weapon with which one can smash various antisocialist theories and safeguard the revolutionary principle. These lines also became a guideline for building scientific socialism, which corresponds to the essential ideal of socialism, and to the concrete realities in our country.

Our party, which brilliantly realizes the grand plan of socialist and communist construction of the great leader Comrade Kim Il-song, is energetically leading the struggle to comprehensively embody the chuche-oriented revolutionary line. The refined leadership that clearly elucidates the direction of the work of the people's power organs, and all other political organizations of society, and exercises its uniform guidance; the outstanding organizational ability that puts forward the appropriate slogans reflecting the pressing demand of socialist construction, and makes all the people involve themselves in its implementation; and the resolute principle-mindedness that never wavers in the fundamental interests of the revolution, while creatively developing all work in conformity with the changed environment—these are important features of the leadership of our party, which leads the cause of socialist construction along the ever-victorious single road. We cannot think of the inexhaustible might of the socialist system of our country and the bright future of the Republic, apart from the refined leadership of the glorious party.

Today we have a heavy task to make a new leap forward in socialist construction, and to strengthen the political and economic might of the Republic in every way possible, based on the successes already attained. This is a noble national mission, to achieve prosperity and reunification of our fatherland, and a mission of the times, to add polish to the honor and dignity of socialism. Our Republic will win the worldwide, eternal reputation through its grand prestigious appearance, as the glorious chuche socialist fatherland, by brilliantly carrying out this important mission.

All the party members and working people should, above all, intensely maintain their great national pride and self-respect in living in the chuche socialist fatherland, upholding the great leader Comrade Kim Il-song, and struggle, devoting everything they have, for the growth and prosperity of the Republic.

As confirmed by the Republic's history, the greatness of the country and the nation depends upon the greatness of the leader. The lofty, international authority and honor enjoyed by our fatherland are the absolute authority and honor, which the great leader Comrade Kim Il-song has. Our people are a proud people, who invariably uphold the experienced leader of the revolution, who embroidered the 40-year history of socialist construction with brilliant exploits, as head of the state. We should deeply cherish this great national pride and self-respect, which no other countries' people can enjoy, and further strengthen and develop our Republic into a chuche fatherland, shining with the name of the respected and beloved leader.

All the party members and working people should have a firm conviction that the road of socialist construction, of our own style, which the great leader Comrade Kim Il-song has pioneered and advanced, is the most suitable path for the demands of the times, and the aspirations of the people, and resolutely adhere to and add luster to all the achievements made by the leader in the revolution and construction. We should continuously and firmly adhere to the chuche-oriented revolutionary line and policy, which the respected and beloved leader Comrade Kim Il-song put forth, and which our party deepens and develops. The line of modeling the entire society on the chuche idea and that of the three revolutions—ideological, technological, and cultural; the party's leadership for the revolution and construction; the Chongsan-ri method and the Taean work system—these are the party's strategic lines that we should never lose sight of under any circumstances. All the party members and working people should firmly maintain, and thoroughly embody, these revolutionary lines to vigorously demonstrate our people's high spirit.

The important task of the regime of the Republic at present in accelerating the socialist and communist cause is to achieve the complete victory of socialism. Today, after the passage of some 30 years [as heard] since the establishment of a socialist system in our country, our revolution is coming close to the turning point for the complete victory of socialism. This is a great success that demonstrates the invincibility and vitality of our socialist cause. We should thoroughly realize the historic report, made by the respected and beloved leader Comrade Kim Il-song, marking the 40th anniversary of the founding of the Republic and the militant task put forth by him in his New Year's address this year, so that we can make new progress in socialist construction and further accelerate the complete victory of socialism. By demonstrating the revolutionary spirit of self-reliance and arduous struggle, all sectors of the people's economy should give a new impetus to the march to fulfill the

Third 7-Year Plan ahead of schedule, thoroughly implement the light industrial revolution line set forth by the 16th plenary meeting of the Sixth Party Central Committee, and vigorously accelerate the scientific and technological revolution.

Strengthening the people's regime and thoroughly ensuring the party's leadership of it are important demands in vigorously accelerating socialist construction. The party is the guide of the people's regime, and the people's regime is the weapon to realize the party's leadership for the revolution and construction. The party's leadership for the organizations of the state and the regime should be invariably guaranteed throughout the period in which a socialist state exists, and should be strengthened even more as the revolution and construction make progress. Our experience in state building shows that, only when the party's leadership role is continuously ensured, can the people's power organs possibly enhance their function, in conformity with the demands of the development of reality, as the defender of the independent rights of the popular masses, as the organizer of their creative ability, and as the family head responsible for the people's lives. By firmly establishing the strong revolutionary discipline and order in the power organs to thoroughly carry out the political tasks put forth by the party, and to move as one person under the party's leadership, we should strengthen and develop our people's regime into a revolutionary regime that resolutely defends and upholds our party's cause.

Reunifying the divided fatherland and establishing national sovereignty for the whole country is our nation's greatest historical task. Today, our nation's ardent desire for fatherland reunification is heightened, more than ever before, and the current, general trend to pull down the walls of division and connect the nation's blood vessel, can no longer be stopped. In conformity with this current trend and the demands of the present situation, the government of the Republic will make every effort to make substantial progress in securing peace in the country, and accelerate peaceful reunification in the near future.

All the Korean compatriots in the North, South, and overseas should wage a vigorous pan-national struggle to resolutely crush the two Koreas plot of the U.S. imperialists and the South Korean fascist clique, which is perpetrated more openly with each passing day, and their anticommunist and anti-Republic smear campaign, and to reunify the fatherland under the banner of the three principles—*independence, peaceful reunification, and great national unity.*

The government of the Republic, the basic ideals of whose external activities are *independence, friendship, and peace*, will wage a vigorous struggle to further develop the relations with other countries on the principle of complete equality and mutual respect, to strengthen and develop the might of socialism, and the nonaligned movement, and to ensure durable world peace and security. Proudly upholding the banner of socialism, we will, in the future as well, firmly defend the

eastern guardpost of peace and socialism, and actively support and encourage the struggle of the people of socialist countries, to defend the gains of the revolution from the attack by the imperialists and the reactionaries.

Today, the overall situation is being turned more and more to the advantage of our revolution, and a bright future has been opened up before the Republic. Let us all wage a more vigorous struggle for the growth and prosperity of the Republic, firmly uniting ourselves with the party and the leader, and with the self-respect in socialism, and the pride of the people engaged in the revolution.

Koreans in Japan Mark Anniversary

SK1009130489 *Pyongyang KCNA in English* 0857 GMT 10 Sep 89

[Excerpt] Tokyo September 8 (kns-KCNA)—A Central meeting of Koreans in Japan celebrating the 41st anniversary of the founding of the Democratic People's Republic of Korea was held in Tokyo on September 8.

Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon,) made a speech at the meeting.

He stressed:

Never in the long history of our country spanning over 5,000 years has our country so prospered and demonstrated its might as today. This is attributable to the fact that the Great Leader President Kim Il-song founded the DPRK, the genuine government of people, and leads it and dear Comrade Kim Chong-il steadily enhanced its might. Our republic which achieved a rock-firm unity and cohesion of the leader, the party and the popular masses by brilliantly applying the *chuche* idea, and dynamically stepped up revolution and construction along a straight road by firmly defending and upholding the revolutionary banner of socialism will continue to emerge victorious and exalt a powerful might of Korea of *chuche* in the future, too, overcoming whatever difficulties and hardships.

The Chongnyon functionaries and Koreans in Japan will ardently love the socialist homeland and firmly safeguard it, boundlessly value Chongnyon which looks after them like a mother instead of the Fatherland and devote all their efforts and wisdom to the reunification of the country and its prosperity and development. [passage omitted]

Anniversary Greetings Received

SK1309043789 *Pyongyang KCNA in English* 0425 GMT 13 Sep 89

[Text] Pyongyang September 13 (KCNA)—Messages of greetings came to Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's

Republic of Korea, on the occasion of the 41st anniversary of the founding of the DPRK.

They came from Moussa Traore, general secretary of the Malian People's Democratic Union and president of the Republic of Mali; Mathieu Kerekou, chairman of the Central Committee of the Party of the People's Revolution of Benin, president of the Republic, head of state and chairman of the National Executive Council; Mohamed Siad Barre, general secretary of the Somali Socialist Revolutionary Party and president of the Somali Democratic Republic; Ali Salim Albiydh [spelling as received], secretary general of the Central Committee of the Yemen Socialist Party, and Haydar Abu Bakr al-'Attas, chairman of the Presidium of the People's Supreme Council of the People's Democratic Republic of Yemen; Gnassingbe Eyadema, president-founder of the Togolese People's Rally and president of the Republic of Togo; Mengistu Haile Mariam, general secretary of the Central Committee of the Workers' Party of Ethiopia, president of the People's Democratic Republic of Ethiopia and commander-in-chief of the revolutionary army; Najibullah, general secretary of the Central Committee of the People's Democratic Party of Afghanistan and president of the Republic of Afghanistan; Habyarimana Juvenal, president of the Republic of Rwanda and president-founder of the National Revolutionary Movement for Development of Rwanda; Mobutu Sese Seko Kuku Ngbendu Wa Za Banga, chairman-founder of the Zairese Popular Revolutionary Movement and president of the Republic of Zaire; Joaquim Alberto Chissano, president of the Mozambique Liberation Front Party and president of the People's Republic of Mozambique; Manuel Pinto Da Costa, chairman of the Liberation Movement of Sao Tome and Principe and president of the Democratic Republic of Sao Tome and Principe; 'Ali 'Abdallah Salih, president of the Yemen Arab Republic, commander-in-chief of the armed forces and general secretary of the General People's Congress; Obiang Nguema Mbasogo, president of the Republic of Equatorial Guinea and chairman-founder of the Democratic Party of Equatorial Guinea; Denis Sassou Nguesso, chairman of the Central Committee of the Congolese Party of Labour, president of the Republic and head of the government of the Congo; Rigoberto Padilla Ruz, general secretary of the Central Committee of the Communist Party of Honduras; Jose Francisco Aguilar Bulgarelli, general secretary of the Popular Force organised in Costa Rica; George Hewison, general secretary of the Communist Party of Canada; and Takako Doi, chairwoman of the Central Executive Committee of the Japan Socialist Party.

The messages warmly congratulate the 41st anniversary of the founding of the DPRK and expressed full support to the Korean people's cause of national reunification.

They hoped that the friendly and cooperative relations between Korea and these countries would grow stronger and develop.

Message From GDR ReceivedPyongyang RadioO

SK1309011889 *Pyongyang Domestic Service in Korean*
2200 GMT 8 Sept 89

[Congratulatory message sent by the leaders of the party and state of the GDR to Kim Il-song, general secretary of the Central Committee of the Workers Party of Korea (WPK) and the president of the DPRK; Comrade Yon Hyong-muk, premier of the State Administration Council; and Yang Hyong-sop, chairman of the Standing Committee of the Supreme People's Assembly, issued on 5 September in East Berlin]

[Text] Pyongyang

Comrade Kim Il-song, general secretary of the WPK Central Committee and the president of the DPRK; Comrade Yong Hyong-muk, premier of the State Administration Council of the DPRK; and Comrade Yang Hyong-sop, chairman of the Standing Committee of the Supreme People's Assembly of the DPRK:

Esteemed comrades,

On the occasion of the 41st anniversary of the founding of the DPRK, we, on behalf of the Central Committee of the Socialist Unity Party of Germany [SED], the Council of State of the GDR, the People's Chamber, the cabinet, the people, and on our own behalf, express fraternal greetings and the sincerest congratulations to you, the WPK Central Committee, the Central People's Committee of the DPRK, the Supreme People's Assembly, the State Administration Council, and the Korean people.

When the DPRK was founded 41 years ago, a state of all workers and peasants was founded on the Korean land. The working people of the DPRK have effected great success in socialist construction under the leadership of the WPK. The successful holding of the 13th World Festival of Youth and Students in Pyongyang was a manifestation of the vitality of socialism and it made an important contribution to anti-imperialist solidarity, peace, and interests among the people at the same time.

The persistent efforts and constructive proposal, set forth by the DPRK, for peace on the Korean peninsula and alleviation of tension have stirred international reaction and received solidarity support from the GDR.

We are satisfied with and rejoiced over the fact that close friendship and traditional relations with fraternal cooperation between our two parties, our two countries, and two peoples have been steadily deepening and developing according to Marxist-Leninism and to the spirit of the treaty on friendship and cooperation.

We will make every effort to further strengthen our close ties of friendship for socialism and peace. We sincerely wish esteemed comrades good health and success in your responsible activities at the same time.

[Signed] Erich Honecker, general secretary of the SED, and chairman of the Council of State of the GDR; Willi Stoph,

premier of the Council of Ministers of the GDR; and Horst Sindermann, president of Presidium of the GDR.

[Dated] 5 September, 1989, Berlin

Kim Il-song Sends Funds to Korean in Japan

*SK0809110589 Pyongyang KCNA in English
1044 GMT 8 Sep 89*

[Text] Pyongyang September 8 (KCNA)—The great leader President Kim Il-song sent the 112th installment of educational aid fund and stipends to the tune of 214,650,000 yen (in Japanese currency) to the Korean residents in Japan on the occasion of the 41st anniversary of the founding of the Democratic People's Republic of Korea.

This brought the total amount until now to 39,537,882,433 yen (in Japanese currency).

The benevolent solicitude shown in the latest installment will encourage the Korean residents in Japan who are working energetically for the prosperity of the socialist homeland and the independent and peaceful reunification of the country and to greet the 15th conference of the general association of Korean residents in Japan (Chongnyon) as a conference of victors and contribute to the development of the democratic national education of Chongnyon.

Kim Il-song Sends Greetings to Bulgarian Official

*SK0809111789 Pyongyang KCNA in English 1005 GMT
8 Sep 89*

[Text] Pyongyang September 8 (KCNA) - Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, on September 5 sent a message of greetings to Comrade Todor Zhivkov, general secretary of the Central Committee of the Bulgarian Communist Party and president of the state council of the Bulgarian People's Republic, on the occasion of the 45th anniversary of the victory of the socialist revolution in Bulgaria. Noting that fundamental changes renewing the appearance of the country have taken place in Bulgaria in the 45 years after the victory of the socialist revolution, the message says:

Today the Bulgarian people are striving to carry out the decisions of the 13th Congress of the Bulgarian Communist Party, to turn the Balkan peninsula into a zone of peace and good neighborliness free from nuclear and chemical weapons and defend peace and security in Europe and the world.

The Korean people sincerely rejoice at the achievements of the Bulgarian people in the building of a new society and wholeheartedly wish you and your people greater success in the work to carry out the 9th 5-Year Plan and build a highly developed and cultured socialist state by accelerating the revolution in science and technology.

Availing myself of this opportunity, I express the belief that the traditional relations of friendship and cooperation between our two parties, two countries and two peoples will continue to strengthen and develop according to the spirit agreed upon at our meetings and the treaty of friendship and cooperation between our two countries.

'Sinister Purpose' Seen Behind Mosbacher Meeting

*SK1309053889 Pyongyang KCNA in English
0523 GMT 13 Sep 89*

["No Tae-u Puppet Clique's Submission to U.S. Imperialists"—KCNA headline]

[Text] Pyongyang September 13 (KCNA)—U.S. secretary of Commerce Mosbacher who flew into Seoul met with the puppet defence minister on September 11 and discussed with him the issues of supplying the puppet army with new-type fighters and developing ground-to-air missiles to arm it, according to a report.

A sinister purpose lurked behind the fact that the secretary of commerce, a peddler of dollars, called on the "defence minister", a stooge who knows nothing but gun-firing, and showed interest in the "modernization" of the puppet army.

Mosbacher urged the stooges to crack down harder for the opening of South Korean markets wider in return for his guarantee of equipping the puppet army with "more efficient" planes, tanks, guns, warships and missiles.

On the same day, Mosbacher met with the puppet minister of trade and industry and urged him to take prompt steps as regards the matters of concern for the United States—the protection of intellectual property rights and the wide opening of services and telecommunications markets. He also put pressure upon the latter to "approve" the full-scale entry of U.S. transnational companies into South Korea.

The puppet ministers openly revealed their intention to yield to their master's pressure in trade, prattling that they hope the "major pending problems will be satisfactorily solved on the basis of the friendly relations."

Daily Denounces 'Pacex 89' Military Exercise

*SK1309052489 Pyongyang KCNA in English
0508 GMT 13 Sep 89*

[Text] Pyongyang September 13 (KCNA)—The U.S. imperialists seek in the large-scale military exercise dubbed "Pacex 89" to step up their marine strategy and increase nuclear attack capacity in the Asian-Pacific region according to their anti-socialist global strategy, notes NODONG SINMUN today in a commentary.

The news analyst says: Through this exercise the U.S. imperialists intend to hasten the creation of the triangular military alliance involving the United States, Japan and South Korea and, at the same time, to strengthen

military tie-up with other Asian countries and thus frame up a NATO-type aggressive military bloc in the Asian-Pacific region.

Regarding the "Pacex 89" exercise as an opportunity of clearly defining through practical drills the operational assignments to its allies in executing its Asian-Pacific strategy, the United States is employing it in drawing them deeper into the U.S. war policy.

The sharp edge of the huge military aggressive system the U.S. imperialists are building in the Asian-Pacific region is directed against our Republic, the commentary points out, adding:

The Korean peninsula must be turned into a nuclear-free peace zone for a durable peace in Korea and the Pacific be made a sea of peace.

U.S. Air Exercise in South Denounced

SK1309052689 *Pyongyang KCNA in English*
0511 GMT 13 Sep 89

[Text] Pyongyang September 13 (KCNA)—The U.S. imperialists staged Tuesday a military drill for an air strike at the northern half of Korea by bringing more than 20 assault planes "AV-8B" to South Korea from the Iwakuni Base in Japan, their overseas aggression base, according to military sources.

Earlier, from September 5 to 8, they carried out a bomb dropping exercise in an area similar to the northern half of Korea in topographical conditions with the mobilisation of 200 fighter-bombers and transport planes of various types such as "F-16", "F-4" and "F-5" of their aggression forces occupying South Korea and the South Korean puppet army.

Recently they remodeled scores of "UH-60" helicopters into a new type as part of their moves to strengthen their aggression forces in South Korea.

Such military manoeuvres of the U.S. imperialists clearly show that they are working persistently to start a new war for invading the northern half of Korea, while aggravating tensions on the Korean peninsula.

Further Reportage on Yim Su-kyong Incident

Front Demands Yim Release

SK1309051489 *Pyongyang KCNA in English*
0448 GMT 13 Sep 89

[Text] Pyongyang September 13 (KCNA)—The No Tae-u group must look straight at the trend of the times, give up all the fabrications and plots at once and unconditionally and immediately release Yim Su-kyong, "the flower of reunification" and daughter of the nation.

According to Radio "Voice of National Salvation", a spokesman for the Central Committee of the "South Korean National Democratic Front" (SKNDF) (Han-minjon) said this in a statement issued to the press on

September 9 denouncing the fraudulent "results of investigation" announced by the No Tae-u military fascist clique to punish coed Yim Su-kyong, "the flower of reunification".

As made clear by Yim Chong-sok, chairman of Chondaehyop (National Council of University Student Representatives), and Chon Mun-hwan, chairman of the preparatory committee for welcoming the return of delegate Yim Su-kyong, in an interview with a reporter of HANGYORE SINMUN, the participation of Yim Su-kyong in the Pyongyang festival as the delegate of Chondaehyop was done not by the backstage manipulation of someone but by an independent decision of Chondaehyop and its purpose of sending her to the Pyongyang festival was to correctly inform youths and students from all countries of the world that "Korea is one" against the "two Koreas" policy of the United States and No Tae-u group—"cross recognition" and "simultaneous entry into the United Nations," the spokesman said, and went on:

The notorious "Security Planning Board" suffered an ignominious defeat from Yim Su-kyong, "the flower of reunification" who has a desire for reunification as pure as crystal and a will for reunification as hard as a diamond. She is indeed "the flower of reunification" and a proud daughter of the 70 million people.

If the No Tae-u group finally take a judicial action against Yim Su-kyong in defiance of the strong protest and denunciation of the 70 million fellow countrymen and world conscience, they will face a stern punishment by the people.

Yim 'Brainwashing' Reported

SK1309052289 *Pyongyang KCNA in English*
0502 GMT 13 Sep 89

[Text] Pyongyang September 13 (KCNA)—The South Korean puppet Security Planning Board itself admitted that its mean "brainwashing operation" vis-a-vis woman student Yim Su-kyong ended in complete failure, according to a report.

Shortly after the first meeting of counsellors and family members with Yim Su-kyong on September 7, some paid reporters made a false report that she "expressed" to them her "willingness" to criticize the North", according to a script written by the "Security Planning Board."

But, contrary to the false report, Yim Su-kyong stressed the justice of her act for national reunification and exposed the intrigues of the No Tae-u fascist clique when she met her parents and counsellors.

Such being the situation, the "Security Planning Board" was compelled to make "the chief of the anti-communist section room" declare that the report about her "willingness to criticize" the North is inconsistent with fact and it was an erroneous report.

Vilifying Yim's objective recognition of the true reality of the northern half of the country as an "illusion," he said: "We have made every possible effort to awaken Yim Su-kyong from her illusion about the North. But I think she has no intention to charge the North." Thus he admitted that the mean "brainwashing operation" they had persistently conducted in the secret room of the "Security Planning Board" ended in complete failure.

By withstanding courageously the harsh persecution inflicted upon her mentally and physically and all manner of appeasement and deception in the secret room for nearly one month, Yim Su-kyong powerfully demonstrated her unshakable faith of independence, democracy and reunification once again to the entire fellow countrymen and the world people.

South Students Plan To Visit North

*SK1309044389 Pyongyang KCNA in English
0439 GMT 13 Sep 89*

[Text] Pyongyang September 13 (KCNA)—The student council of the History Course of Kyonghui University in Seoul formed an expeditionary group of Koguryo culture with 100 professors and students on September 11 and sent a plan to visit the northern half of the country to the puppet authorities and demanded its permission, according to a report.

The plan envisages inspection of the relics of the Koguryo dynasty in Pyongyang, South Pyongan Province and North and South Hwanghae Provinces staying six nights and seven days in the North from October 30.

They also said that they would hold a seminar on Koguryo society with students of Kim Il-song University and climb Mt. Paektu.

They had promoted their activities to form the expeditionary group from February.

DPRK-PRC Hydroelectric Agreement Signed

*SK1309050789 Pyongyang KCNA in English
0446 GMT 13 Sep 89*

[Text] Beijing September 11 (KCNA)—A decision of the 42nd meeting of the council of the Korea-China Hydroelectric Power Company was signed in Beijing on September 11.

It was signed respectively by Yi Chung-song, vice-chairman of the Commission of Electric Power Industry and director of our side to the council of the company, and Liu Youmei, vice-minister of Energy and director of the Chinese side to the council.

Yon Hyong-muk Greets Polish Council Chairman

*SK0709104589 Pyongyang KCNA in English
1008 GMT 7 Sep 89*

[Text] Pyongyang September 7 (KCNA)—Yon Hyong-muk, premier of the Administration Council, sent a

message of greetings to Tadeusz Mazowiecki on his election as chairman of the council of Ministers of the Polish People's Republic.

The message expressed the belief that the friendly and cooperative relations between the two countries would develop favourably in the future.

Signed Article Takes Pride in Party Leadership

*SK0809113689 Pyongyang KCNA in English 1010 GMT
8 Sep 89*

[Text] Pyongyang September 8 (KCNA) - NODONG SINMUN today carries a signed article headlined "it is a great pride of our people to make revolution with indestructible revolutionary government under the guidance of the party."

The article says:

to strengthen the party's leadership over the revolutionary government of the working class and steadily enhance its function and role is the fundamental requirement for achieving the final victory of the socialist and communist cause.

All the honour and dignity of the Democratic People's Republic of Korea is at once the high authority of our party and the invincible might of the republic is a valuable fruition of our party's wise leadership.

What is most important in the leadership of our party which has led the chuche-oriented cause of building a government to a brilliant victory is that it has made the government of the republic hold fast to the stand of independence in all fields of the revolution and construction always under the banner of the chuche idea and maintain the stand of the working class, thus guiding the chuche-oriented cause of building a government without deviation to suit its intrinsic requirement. It also has made the government of the republic continue the revolution under the banner of the three revolutions, ideological, technical and cultural.

Our people's government which has traversed a glorious road under the leadership of the party has strengthened and developed into an indestructible revolutionary government which can bring the cause of socialism and communism to accomplishment and its might is more powerfully demonstrated as the days go by.

The great leader Comrade Kim Il-song taught:

"Through this difficult and complex revolutionary struggle, the people's government has grown in strength and developed into an indestructible, militant and powerful revolutionary government. As the revolution and construction have progressed, the political and economic foundation of the people's government have been further strengthened and its functions and role markedly enhanced."

Our people's government is a revolutionary power most superior and militant ever in history in view of its historic roots and traditions, its mission and duty and its role of an organizer in leading the revolutionary struggle and the constructive work in a unified way.

The solidness and might of our people's government lie in that it has fully assumed the appearance of a revolutionary government which remains faithful to the leadership of the party and the leader and carries through the ideas and lines of the party and has kindred relations with the popular masses, striking deep roots among them.

Our people's government is a mighty revolutionary power which can accomplish the cause of socialism and communism as it is based on sturdy political and economic foundations.

The government of the republic is, indeed, a revolutionary power capable of upholding the party's cause to the end, an invincible power which is guided by the *chuche* idea and has a rock-firm unity with the popular masses and a powerful weapon of revolution capable of carrying out any difficult and vast task with success in the building of socialism and communism. We may be justly proud of having this powerful revolutionary government with a bright future, which can carry out the revolution to the end down through generations under the leadership of the party and the leader.

The respected leader Comrade Kim Il-song has made tireless efforts and devoted his all to the building of the socialist country of *chuche* as we see it today and establish an invincible revolutionary government which is most superior and militant. Our fatherland will prosper endlessly and our people's honour and dignity will be exalted further as long as there are the wise leadership of the party and the leader, the most superior, mighty and invincible revolutionary government and the *chuche*-oriented line which correctly indicates the road of the revolution in our times.

Motor Workers To Implement Kim Il-song Ideas

SK1309103389 *Pyongyang KCNA in English* 1027 GMT 13 Sep 89

[Text] Pyongyang September 13 (KCNA)—Employees of the Sungri General Motor Works met to vow to thoroughly implement the instructions given by the great leader President Kim Il-song on September 10 this year during his on-the-spot guidance to the works.

The works is a leading motor production centre in Korea.

At the meeting the reporter and speakers stressed that the instructions of President Kim Il-song serve as a highly important guideline to be firmly adhered to in developing the motor industry and a banner inspiring the working people of the works to perform labour feats.

The works has been replenished with new machines and equipment and automated and computerized processing and assembling lines in a floor space of 100,000 square

metres with our designs, technology and efforts with the result that the expansion project of the works tantamount to the construction of a big plant has been successfully completed in a short span of time, they added.

They resolved to effect signal innovations in the production of different types of trucks and engines of high capacity in the militant spirit in which they have completed the vast project on their own efforts.

Democratic Front Rejects Reunification Plan

SK1309095189 *(Clandestine) Voice of National Salvation in Korean to South Korea* 0300 GMT 13 Sep 89

[Text] Addressing the National Assembly on 11 September, No Tae-u put forward the so-called Korean national community reunification formula. No Tae-u also made absurd remarks on the necessity of establishing a North-South commonwealth as an interim step toward reunification.

In a word, No Tae-u's reunification plan is not designed to achieve reunification but is merely a trick to conceal his splittist nature.

No Tae-u's theory on an interim stage is a plot to fabricate two Koreas by stalling for time and perpetuating the present status of division, thus ignoring the urgency of reunification.

Needless to say, the reunification of our country should be achieved on the basis of the three principles of independence, peace, and great national unity for national reunification. We should attain the great national unity in a peaceful manner without resorting to exercising armed forces by expelling outside forces.

Nevertheless, No Tae-u did not say a word about the issue of rejecting outside forces, including the withdrawal of U.S. troops from South Korea, nor did he say that he will abolish the National Security Law, which specifies antistate organizations, nor will he end suppression of democratic forces who pursue reunification.

Today the masses at home and abroad consistently call for the withdrawal of U.S. troops in South Korea—the ring-leaders of division and a basic obstacle to reunification—and for an end to U.S. colonial rule and interference in the domestic affairs of South Korea. However, No Tae-u did not utter even a single word about such a call.

This shows that No Tae-u's reunification plan is nothing but an empty armchair theory running counter to the popular will and that he has no will to reunify the country.

Furthermore, what we should not overlook is that he (?slandered) the other side by babbling about reunification through communization and human rights, while talking about national reconciliation and reunification. We cannot but say that this is a maneuver to create artificial obstacles to reunification by slandering and

smearing the other side and by aggravating its sense of hostility (?instead of) seeking great national unity by eliminating misunderstanding and distrust between the North and the South.

No Tae-u praised his own reunification plan as the most reasonable and realistic plan. This is indeed preposterous and ridiculous. No Tae-u's true intention in putting forward the unrealistic reunification plan called the Korean community reunification formula is to maintain power by improving his situation in which he is being driven into a corner by the masses at home and abroad for suppressing the forces for reunification and maneuvering for permanent division.

The No Tae-u group stressed reunification and so forth, while following the two Koreas plot of the United States, which is designed for permanent division and for pushing ahead with the northern policy.

This is indeed an intolerable mockery of the masses of the North and the South, who aspire to reunification in the form of a confederal system.

No Tae-u deceived and ridiculed the patriotic masses from all walks of life who are fighting for national reunification. He is attempting to settle his political crisis by putting forward the so-called new reunification formula. However, this is a foolish act.

We cannot think of reunification if such a splittist group as that of No Tae-u is left intact. For national reunification, our people should more tenaciously wage the anti-U.S. struggle for independence and reunification to expel the U.S. aggressor forces from this land and to put an end to the military dictatorship of No Tae-u, a pro-U.S. stooge.

South's Efforts for Separate UN Entry Denounced

SK1309101689 (Clandestine) Voice of National Salvation in Korean to South Korea 0300 GMT 8 Sept 89

[Station commentary]

[Text] As has been already reported, the No Tae-u regime prattled that North and South's admission to the UN will be helpful to peaceful settlement of the issues concerning the Korean peninsula, and sent a letter, on 7 September via UN Ambassador Pak Sang-yong, to the UN Security Council, justifying the UN admission of the North and South.

Prior to this, in an exclusive interview with United Press International, he babbled about unreasonable remarks to discuss with the North, issues concerning North-South joint admission into the United Nations. The No Tae-u group's theory on the North-South UN admission cannot be consistent with our masses' desire for reunification. Thus, this is a heinous intrigue aimed at making the division of the Korean peninsula an established fact on an international level. As is known, if the North and the South become UN members, this will fix the division

of the Korean peninsula and, thus bring about the international justification of the existence of two Koreas.

In fact, tension has been aggravated daily, and peace has been threatened in our country by U.S. forces and the deployment of nuclear weapons in Korea, not by the issues facing one or both sides regarding the North-South UN admission. Therefore, it is obvious that national division will be fixed and tension on the Korean peninsula will be further aggravated, if the North and the South simultaneously become UN members, or one of them becomes a UN member. Thus, the fact of trying to become a UN member is an unpardonable treason against the country and the people.

The fact that the No Tae-u group is trying to become a UN member, by using the strength of foreign forces once again shows that it wants neither the reunification of the Korean peninsula, nor the relaxation of tension. Our nation should not be divided, and our nation cannot live divided, because our nation is a single nation. However, since the country and nation are divided, no side should become a UN member. The UN admission should be realized as one state.

The questions concerning reunification are ones related to blood ties, related to our country's fate, not related to a system and ideology. If the North and the South separately become UN members, due to disparity of ideology and system, it will do nothing but bring about the justification of division, by ignoring the common feature of a single nation.

Now is not the time to apply for UN membership, but rather the time to make efforts to build trusts with each other, and improve and develop relations for reunification, by resuming North-South dialogues, which have been suspended.

If the No Tae-u group is interested in easing tension on the Korean peninsula, and in its policy for peace and peaceful reunification, it should resume North-South dialogues, and participate in the dialogues with sincerity and genuineness.

Rev Mun Ik-hwan, Yim Su-kyong, and Fr Mun Kyu-hyon, who returned home after performing good acts for reunification, should be immediately released by overruling their charges. Our people, standing at the crossroads of reunification and division, will never pardon those who continue to work for national division.

The No Tae-u group should discontinue the criminal maneuver of UN admission, aimed at perpetuating the division of the Korean peninsula.

13 Sep Pyongyang Press Reviewed

SK1309053089 Pyongyang KCNA in English 0514 GMT 13 Sep 89

[Text] Pyongyang September 13 (KCNA)—Dailies here today carry messages of greetings to Comrade Kim Il-song, general secretary of the Central Committee of

the Workers' Party of Korea and president of the Democratic People's Republic of Korea, from foreign party and state leaders on the occasion of the 41st anniversary of the founding of the DPRK.

Works of the great leader President Kim Il-song are deeply studied and reported in foreign countries, reports the press.

NODONG SINMUN informs the readers that the work of dear Comrade Kim Chong-il "let us march forward dynamically along the road of socialism and communism under the unfurled banner of the anti-imperialist struggle" came off the press in pamphlet in Portugal.

Conveyed in the press is an account of a meeting of the employees of the Sungni General Motor Works to vow to thoroughly implement the teachings given by President Kim Il-song during his on-the-spot guidance to the works.

NODONG SINMUN editorially calls for doing harvest qualitatively in time and MINJU CHOSON for energetically pushing ahead with the work of creating forests of trees for paper.

PYONGYANG SINMUN reports that three-revolution team members across the country started building 1,500 robots and completed 700 of them.

On the occasion of the 41st anniversary of the founding of the DPRK, Samdech Norodom Sihanouk sent a basket of flowers to the DPRK Embassy in Beijing and functions were held and articles published in various countries, says the press.

It gives an account of the 451st meeting of the Military Armistice Commission.

Echoed in papers are voices at home and abroad demanding the release of woman student Yim Su-kyong. According to them, a spokesman for the "South Korean National Democratic Front" issued a press statement denouncing the South Korean fascist clique which made public faked-up "results of investigation" to penalize her.

NODONG SINMUN and MINJU CHOSON come out with commentaries denouncing the terrorism of the South Korean military fascist clique against the trade union chairman of a pharmaceutical company. In a commentary NODONG SINMUN hits at the United States for staging "Pacex 89" military exercise in the Pacific together with Japan and South Korea.

Given in the press is an account of a meeting held in Pyongyang to celebrate the 15th anniversary of the victory of the people's revolution and the second anniversary of the founding of the Republic in Ethiopia.

International news columns of NODONG SINMUN include reports that the Seychellois president visited Czechoslovakia and the International Organisation of Journalists called for unity of progressive journalists of the world.

The paper introduces the increased production drive launched by Chinese working people to greet the 40th anniversary of the national day with great achievements in labour.

"To Intensify Anti-imperialist Struggle Is a Common Task of Progressive People of the World" is the title of an article of the paper.

Correction to Military Armistice Continues

SK1209144989

The following correction pertains to the item headlined "MAC Meeting Continues in Panmunjom," published in the 12 September East Asian DAILY REPORT, page 9:

page 9, column two, paragraph two, first sentence make read: ...abrogate this clause. [new paragraph] In February 1960, (Ninitzer)... (changing word "October" to "February").

Corrections to 451st Military Armistice Meeting

SK1209145689

The following corrections pertain to the item headlined "451st Military Armistice Meeting Held 12 Sep." published in the 12 September East Asian DAILY REPORT, page 9:

page 9, column one, paragraph four, first sentence make read: ...the graveness of the problem. The nuclear war... (clearing indistinct word);

same paragraph, sentence two, make read... which will drive mankind into the flames... (changing "our nation" to "mankind").

South Korea

North Accused of Politicizing Military Armistice

SK1209225589 Seoul YONHAP in English 1025 GMT 11 Sep 89

[Text] Panmunjom, Korea, Sept. 12 (YONHAP)—The United Nations Command (UNC) Tuesday [5 Sep] accused North Korea of misusing the Military Armistice Commission (MAC) for political purposes.

In the 451st MAC meeting, North Korea renewed its proposal for negotiations to remove the U.S. nuclear weapons it says are in the South and convert the Korean peninsula into a nuclear-free zone.

U.S. Rear Adm. Larry Vogt, the senior member of U.S.-led UNC to the MAC, flatly rejected the proposal saying that "your statements on nuclear weapons issues misuses this forum."

Vogt reminded North Korean Army Maj. Gen Choe Ui-ung that the MAC was established to work issues related to the Armistice Agreement which ended the three-year Korean War in 1953.

The UNC senior member suggested that the commission discuss proposals to ease tension along the Demilitarized Zone which divides the two Koreas.

He called for restoring joint observer teams, establishment of mutual confidence building measures and returning of UNC Korean war remains which North Korea has said it is holding.

Vogt also accused North Korea of submitting false weapons status reports to the MAC.

"A careful review of these reports submitted by your side shows that you continue to claim to be using the same types and models of weapons used 36 years ago during the Korean conflict," he said.

Unification Board Minister To Testify at Trial

SK1309001589 Seoul THE KOREA HERALD
in English 13 Sep 89 p 3

[Text] National Unification Board Minister Yi Hong-ku will testify as a witness next Monday in a trial for the Rev. Mun Ik-hwan, who is charged with making an unauthorized trip to North Korea last April.

The Seoul District Court Monday accepted Mun's defense counsel's request to have Minister Yi, Chong Kyong-mo, a Korean journalist active in Japan, and Kim Nak-chung, a specialist on unification, appear as witnesses at the next hearing.

No spectators, except the families of the defendants, Rev. Mun and Yu Won-ho, will be allowed in while Minister Yi appears from 2 p.m. to 3 p.m. and the trial will be held behind closed doors, court officials said.

Rev. Mun's lawyers earlier submitted a petition asking for Minister Yi's testimony to explain the government stand on unification and compare it with a joint statement Rev. Mun announced with North Korea's Committee for the Peaceful Unification of the Fatherland while in North Korea.

Daily Views Peoples 'Flight From Communism'

SK1309000189 Seoul THE KOREA HERALD
in English 13 Sep 89 p 8

[Editorial: "Flight From Communism"]

[Text] The daring defection of three North Koreans to South Korea early this week stands out as a major exploit by our hard-pressed compatriots in the Communist-ruled territory to regain freedom from oppression. The three brought to five the number of defectors from North Korea who have crossed the heavily fortified and closely watched border this year.

They came here in search of liberty and human dignity in defiance of possible death. Several more North Koreans have found refuge in south Korea this year, reaching here

by way of third countries they happened to be traveling or staying in. The number is much greater than in previous years.

The latest defection of the trio is eloquent proof of the fallacy and failure of the Communist utopia Kim Il-song and his cronies promised to the innocent and helpless North Korean populace and to all naive sympathizers abroad.

The three were: 2nd Lt. Kim Nam-ho, 27, a platoon commander in the North Korean Army's 6th Division; M. Sgt. Kim Hwang-chu, 24; and a 24-year-old civilian nurse in the border city of Kaesong. They teamed up to venture a two-hour swim across the western estuary of the river border dividing the two parts of the peninsula at dawn Sunday.

Disillusionment with the persistent regimentation and unbearable poverty drove the three young people away into the free and affluent south. Their plight and desperation are nothing new to us. From the increasing number of North Korean defectors of late, however, we might well gather that the situation in the north is going beyond the point of no return.

Though not directly related to the defection, the current visit here of a North Korean expatriate in the Soviet Union reinforces our correct and negative judgement on North Korea. The aged former senior North Korean military officer, Yi Sang-cho, said in Seoul that Pyongyang provoked the 1950-53 Korean War and that he was obliged to seek political asylum in the Soviet Union in 1957 because of his opposition to the personality cult of Kim Il-song.

The obvious credentials of the retired lieutenant general, who served as deputy chief of general staff during the Korean War, North Korean delegate to the armistice talks with the United Nations and later as North Korean ambassador to Moscow, lend much weight to his statements. He also decried the worth of negotiating accommodation and unification with North Koreans now unless and until they renounce their revolutionary and militant stand.

Flight from oppression to freedom is the wave of the time. Thousands of East Germans have set out on a successful exodus to West Germany via Hungary and Austria. Countless Vietnamese boat people continue to drift away from their homeland, joined by some Chinese, in search of freedom and human rights. These gallant and dangerous modern-day odysseys on the freedom trail all over the world drive home to us the value of liberty and decency that must be cherished at all costs.

First Hearing for So Held on Secret North Trip

SK1309003489 Seoul THE KOREA TIMES in English
13 Sep 89 p 3

[Text] The first hearing for Rep. So Kyong-won, 52, and 10 other persons, put behind bars in connection with the

assemblyman's unauthorized visit to Pyongyang, was held yesterday at the grand courtroom of the Seoul District Criminal Court, in Socho-tong, Southern Seoul.

In a hot debate over barristers' rights to meet their clients, lawyers Pak Sang-chon and Kang Chol-son asked for postponement of the trial because they could not interview So sufficiently to prepare to defend him.

The 100-minute hearing session, started at 10 a.m., ended with the initial statements by several suspects.

Judge Hong Sok-che accepted the defense lawyers' demand that So and his aide Pang Yang-kun be granted interviews before the next hearing, scheduled to be held on Sept. 27. So the hearing of the case against the two suspects is set aside for the next trial sessions.

Tuesday's hearing opened 77 days after So was arrested for violation [of] the National Security Law and on espionage charges. He has been indicted for his secret Pyongyang visit and receiving US\$50,000 from North Korea as a "spy fund."

So appeared, in white Korean dress "Hanbok," and looked rather healthy.

When the suspect, handcuffed and roped, entered the courtroom, the audience gave him a big hand. He replied, with a grin, after glancing at his family members and associates from the Korean Catholic Farmers Movement which he had led before entering the National Assembly.

There was no commotion or other forms of interference with the hearing procedure.

Lawmaker-lawyer Pak Sang-chon of the Party for Peace and Democracy [PPD], from which So was expelled for his illegal activity, criticized prosecutors for depriving lawyers of the chance to meet So and other suspects.

Lawyers also asked the court to review their appeals for release on bail of six suspects, including Yi Kil-che, the PPD's external cooperation bureau chief, and Kim Yong-nae and Pang Yang-kun, both aides to the lawmaker.

All the 10 other suspects, including Mrs. Ko Kum-suk, an alleged girlfriend of the lawmaker and two leaders of the Korean Catholic Farmers Movement, are under arrest for failing to report So's illegal North Korean trip Sept. 23-25, 1988.

Mrs. Ko claimed that she was threatened by investigators at the Agency for National Security Planning who wanted her to make a false statement.

Chon Relative Freed; Alliance Leader Sentenced

SK1309001889 Seoul THE KOREA HERALD
in English 13 Sep 89 p 3

[Text] A Seoul District Criminal Court handed out a one-year prison term to Yi Chae-o, head of the unification panel of the dissident alliance, Chonminnyon yesterday for attempting to hold a meeting with North Korean Communists last February.

A Seoul high court, meanwhile, suspended the two-year prison term of Yi Kyu-sung, an uncle of former president Chon Tu-hwan's wife Yi Sun-cha, releasing him yesterday.

Yi Chae-o, 44, was arrested last Feb. 20 and charged with violating the National Security Law when he and other representatives of Chonminnyon, or the National Democratic Alliance of Korea, attempted to go to Panmunjom for a meeting on reunification with North Korean officials.

The 69-year-old Yi Kyu-sung had received a two-year prison term and forfeited 50 million won in a lower court ruling in January on conviction of taking 500 million won from a businessman in return for a promise to help him defer the payment of bank loans.

Soviet Societies Propose Tourist Exchange

SK1309000489 Seoul THE KOREA TIMES in English
13 Sep 89 p 8

[Text] The Central Union of Consumer Societies of the Soviet Union (Centrosoyus) has proposed exchanges of tourists with the National Agricultural Cooperative Federation (NACF) as one of their joint venture projects, an NACF spokesman said yesterday.

The proposal was made Sunday in Moscow by Centrosoyus chairman Pavel Fedirko at talks with NACF president Han Ho-son, he said.

Fedirko was quoted as saying that his union was authorized to manage tourism activities by the government independently from the state-run tourism company, Intourist Co.

He added that Korean tourists would be able to visit the Soviet Union whenever they want.

Fedirko said that the scale of tourist groups and schedule will be set in accordance with agreements between the two cooperative organizations. Tourism zones will include Moscow, Leningrad and Alma-Ata in Kazakhstan where many Koreans reside.

Han said that he also agreed to the exchange visits of tourists but that the NACF has not been approved to manage tourism business, adding that the exchange visits need more study.

Soviets Urge Increase in Economic Ties

SK1309001289 Seoul THE KOREA HERALD
in English 13 Sep 89 pp 2, 4

["News Analysis" by staff reporter Sim Yong-su: "Rising Trade Volume May Advance ROK-USSR Ties"]

[Text] The ongoing visit to Seoul by two important Soviet officials is just the latest sign of fast-closing relations between Seoul and Moscow.

The visitors' status indicates that Seoul-Moscow relations have gone well beyond the boundary of economy and trade, despite both sides' repeated denials.

The visitors are the former Soviet Deputy Foreign Minister Mikhail Kapitsa who currently heads the state-run Soviet Institute for Oriental Studies, and Dr. Georgiy Arbatov, director of the USA and Canada at the prestigious USSR Academy of Sciences.

Kapitsa who is known to still have a strong influence on Moscow's Asian policy, strongly hinted that economic ties between Seoul and Moscow will eventually develop into political relations in the not too distant future.

His somewhat unprecedented arrival statement last week at Kimpo airport showed that Moscow already established a concrete plan to open full diplomatic relations.

"Once trade between the two countries reaches \$3 billion from the present \$500 million, bilateral relations in the political sector will naturally normalize," the former Soviet foreign official said in the statement.

Foreign watchers here say that it is just a matter of time until the bilateral trade volume tops \$3 billion in view of the galloping growth of trade in recent years.

The trade volume is expected to rise at an accelerated rate when a direct shipping route opens late this year between Korea's southern port city of Pusan and the Far East Soviet port of Nakhodka, they said.

A more important development is the reportedly ongoing negotiations between the two sides to inaugurate a regular air passenger service between Moscow, Seoul and Shanghai, the watchers noted.

Kapitsa came to Seoul at the invitation of the Korean government to take part in an international symposium to observe the first anniversary of the 1988 Seoul Olympics, which marked a big turning point in Seoul-Moscow relations.

The Soviet Union sent over 600 athletes and officials to the Games, ignoring Pyongyang's request for a boycott, to display its eagerness to bury the bitter memory of the past and to develop new relations.

Coming with the Soviet athletic delegation was a top-class Soviet art troupe which performed in Korea's major cities during the Games, winning the hearts and souls of many Koreans.

Kapitsa is to present a paper, titled "Changes in East-West relations in the Asia-Pacific region, Friday.

In the paper, he is expected to call for greater cooperation in the regional countries to put an end to the era of confrontation.

Dr. Arbatov, Soviet President Mikhail Gorbachev's adviser on foreign policy, proved that his visit was not just to attend a seminar when he met leaders of Korea's three opposition parties last week.

The content of their talks was not immediately available. But those close to the opposition leaders speculated that they might have had in-depth talks on expansion of bilateral relations in the political sphere.

The meeting with Korea's main opposition leader Kim Tae-chung lasted over two hours during which Kim reportedly told Arbatov that he was willing to help promote bilateral ties.

Arbatov was accompanied by three fellows of his institutes, Nicolay Shemelev, Victor Spandaryn and Yuriy Leggev, all Soviet experts on East-Asian affairs, to attend an international seminar Monday at the Seoul Hilton Hotel. The seminar was organized by the Institute of Social Sciences of Korea, headed by Kim Kyong-won, former Korean ambassador to Washington.

Arbatov, conveying Moscow's feeling about Seoul, complained at his presentation at the seminar that Seoul was too careful to develop economic relations with Moscow, despite "all the assurances given by its representatives."

Moscow has reportedly invited Korean companies to participate in its development projects in Siberia and the Far East but the latter were reluctant to invest largely because of the "risk" arising from lack of diplomatic ties between the two nations.

A common concern among Korean businessmen is that without diplomatic ties between the two nations, they may not be able to retrieve their investment when they want to or they may be forced to receive other unjust treatment.

Arbatov, concurrently chairman of the Subcommittee on Political Affairs and Negotiations of the Committee on International Affairs, came to Seoul last weekend.

He also admitted that the Koreans' reluctance to make investment in his country was partly attributed to complex bureaucratic red tape by saying:

"I assume, it is our fault as well, that the businessmen in South Korea, for instance, were perplexed at the first experience of dealing with our bureaucratic machine."

As Kapitsa did, Arbatov also strongly suggested that his country's expansion of economic ties with regional countries has political significance at the seminar.

"Military-political security can not exist without economic security. Today, this fact has become more evidence than ever," he stressingly said, implying that economic ties will eventually develop into political ones.

The Soviet's visit received more popular attention because of the coinciding yet contrasting trip here by U.S. Commerce Secretary Robert Mosbacher.

Mosbacher pressed for Korea to open its market wider to U.S. products, fueling already-high anti-American sentiment while the Soviets called for greater economic ties with Korea, creating favorable popular feeling toward their country.

In all, the Soviet's trip here this time gave a strong indication that their country is serious in seeking closer relations with Korea.

Companies Seek To Open Branches in USSR

SK1209143789 Seoul YONHAP in English 1334 GMT
12 Sep 89

[Text] Seoul, Sept. 12 (YONHAP)—Three private South Korean companies are expected to set up branch offices in the Soviet Far East in the near future to facilitate trade, investment and other economic exchanges between the two countries.

Business sources here said Tuesday that Hyundai Corp., Samsung Corp. and Lucky-Goldstar Co. are seeking government permission for their plans to open branch offices in Nakhodka, Khabarovsk and other cities near Vladivostok in that area.

South Korea and the Soviet Union have expanded trade, whose volume is expected to total 500 million U.S. dollars this year, and other non-political ties in recent years, although Seoul and Moscow have no diplomatic relations.

The two countries exchanged trade offices in each other's capital earlier this year, and Korean private companies want to set up their own liaison offices in the Soviet Far East.

The Soviet Union also reportedly hopes that South Korean business firms will participate in Siberian development projects and at present only Samsung has its branch offices in Moscow.

The sources said Soviet officials have already indicated that they would meet those South Korean companies' requests to open their trading offices in the cited cities.

The sources predicted that other South Korean general trading companies will apply for approval to establish their branches in the Soviet Union soon.

Soviet Institute Director Arbatov Interviewed

SK1309080489 Seoul CHOSON ILBO in Korean
12 Sep 89 p 4

[Interview with Georgiy Arbatov, director of the U.S.-Canada Institute of the Soviet Union, by International Department Chief Choe Chun-myong and reporter Kim Song-yong—date and place not given]

[Excerpts] [CHOSON ILBO] Many scholars believe that North Korea has also gradually changed. They also predict that it will change in the future.

[Arbatov] It is difficult to talk about North Korea with confidence because I am not an expert on it. However, I think that because all the countries of the world are changing, North Korea will not be an exception.

[CHOSON ILBO] Do you think that North Korea will adopt such policies as glasnost and perestroika? Do you have any intention of persuading North Korea to adopt such policies?

[Arbatov] This is a matter that North Korea itself can decide on. The Soviet Union will not repeat its past practice of enforcing socialism upon other countries. Even though it is a fact that perestroika has caused changes in Europe and Asia, the Soviet Union did not force European and Asian countries to adopt perestroika; they adopted it on their own.

[CHOSON ILBO] North Korean leader Kim Il-song is an old man, who is 77 years old. What do you think of the possibility of North Korea changing in the post-Kim era?

[Arbatov] It is a little dangerous to forecast what will happen in the post-Kim era since President Kim Il-song is still alive.

[CHOSON ILBO] How are relations between the Soviet Union and North Korea?

[Arbatov] In the official domain, the Soviet Union and North Korea are allies. However, there are significant differences in views between both countries over matters other than political and military matters.

[CHOSON ILBO] What do you think is the way to peacefully solve the Korean peninsula problem?

[Arbatov] The Soviet Union is pursuing peaceful coexistence in Europe, and on the Korean peninsula as well. The best way to do this is to alleviate military tension.

[CHOSON ILBO] What do you think of the possibility of countries that have political interests in the Korean peninsula problem cross-recognizing North and South Korea, and, based upon this, North and South Korea improving relations between them?

[Arbatov] A fundamental precondition for cross-recognition is approval for this by North and South Korea, the two relevant countries. As I have previously

said, we cannot force our position upon other countries. I think this is an issue that North and South Korea must decide by themselves.

[CHOSON ILBO] Korea and the Soviet Union have so far gradually expanded state-level exchange between themselves. What is the status of the relationship of the two countries, and what are the prospects for their development?

[Arbatov] The Soviet Union has already put an end to its uncomfortable relations with Korea. This means that we have taken our first step forward. Even though no diplomatic relations have been established, encouraging progress has been continuously made in economic relations, even at the initial stages. I think that the two countries can pursue reciprocal relations in this sector.

[CHOSON ILBO] In what sectors do you think the Soviet Union can help Korea, and vice versa?

[Arbatov] I think, in fact, that Korea can help the Soviet Union more than the Soviet Union can help Korea. However, because in the economic domain one country makes up for the weakness of another, and vice versa, the two countries must find sectors in which they can reciprocally cooperate. The Soviet Union has enormous natural resources, and a potential for becoming a big market for Korean commodities. The Soviet Union will become an attractive market for Korean businesses, particularly when the European market raises a trade barrier after Europe integrates in 1992. Even though the Soviet Union's general industrial technology is backward, the Soviet Union has the best chemical, aircraft, and space industries. Therefore, economic cooperation can take place if Korea transfers the general industrial technology necessary for producing consumer goods to the Soviet Union, and if the Soviet Union transfers high technology to Korea. Korea will become a good partner for the Soviet Union, because the Soviet Union is giving priority to developing light industries. Political leaders and business leaders of the two countries must make efforts to promote such trade.

[CHOSON ILBO] Many Korean businessmen are interested in the development of Siberia.

[Arbatov] Siberia is backward, because it is very sparsely populated, and very far away from the capital. We are planning to develop this region as a center of high technology and culture, with the assistance of Asian and Pacific countries. The development of this region will be carried out according to the results of the democratic discussions at home, and we expect foreign capital to actively participate in the development.

[CHOSON ILBO] It is said that the Soviet side is complaining that Korean businessmen are hesitating in economic cooperation....

[Arbatov] That is correct. However, if viewed from another perspective, the political obstacles between the two countries hinder economic cooperation.

[CHOSON ILBO] Is Soviet bureaucracy also a problem?

[Arbatov] It is a fact that Soviet Government officials are not flexible, because they strictly adhere to existing principles. Extensive discussions about this must take place. However, are Korean Government officials different? [laughter] [passage omitted]

[CHOSON ILBO] Dr Arbatov, you are known to be a man of influence in Moscow...

[Arbatov] That description is an exaggeration. I handle only diplomatic affairs and Asian-Pacific cooperation. There are many higher-ups, who are involved in making important decisions.

[CHOSON ILBO] What are your major interests and hobbies?

[Arbatov] Ideology and international relations are my major interests. I spend my leisure time fishing and swimming.

University Asks Permission To Visit North

SK1209010489 Seoul THE KOREA TIMES in English
12 Sep 89 p 3

[Text] Kyonghui University has formally requested the government to permit its students and professors to observe historical sites around the North Korean capital of Pyongyang, a university spokesman said yesterday.

With a consent from the school administration, history students have already formed a 100-member observation team to study historical remains of Koguryo, one of the three old kingdoms whose capital was placed in Pyongyang in the early fourth century, the spokesman said.

Should the plan [be] authorized by the government, the team accompanied by three professors will enter North Korea via a third country for the academic trip during the period of Oct. 13-Nov. 5, an attempt which has never been allowed by both Koreas since its division in 1945.

The academic mission will survey the areas where famous Kangso Tomb and Changansong Castle are located, according to the spokesman. The expenses will be paid by participating students and the private university in Seoul.

France To Waive Visas for Tourists From 1 Oct

SK1209021689 Seoul YONHAP in English 0155 GMT
12 Sep 89

[Text] Seoul, Sept. 12 (YONHAP)—France will admit South Koreans without Visas for up to three months at a time from Oct. 1, with stays in French territories set at one month, French Tourism Minister Olivier Stirn said Monday.

Korea is the only country in the world, except the European Community nations, to be awarded the visa exemption status.

A memorandum from the French Foreign Ministry regarding the visa exemption was handed to Korean Foreign Minister Choe Ho-chung on Monday, Stirn said.

The abolition of visa requirements is an extension of no-visa practices effective before 1986.

In talks with Transportation Minister Kim Chang-kun, Stirn agreed to sign an accord on tourism exchanges in Paris next year, enabling the French tourism industry to actively participate in the construction of ski and seaside resorts in Korea and Korean firms to take part in French tourism projects.

Under the agreement, Korea will also send tourism personnel to France for training and the two countries will launch joint ventures in third countries, the 53-year-old minister said.

Stirn opened a state tourism office in Seoul, the second in Asia on Monday. France has one in Tokyo.

A growing number of Korean tourists are heading to France, with the total likely to reach 30,000 this year.

The French minister left Seoul on Tuesday morning.

Links Sought With Canadian Aerospace Industry

SK1209035089 Seoul YONHAP in English 0231 GMT 12 Sep 89

[Text] Seoul, Sept. 12 (YONHAP)—Executives of 50 South Korean aviation and defense firms said Monday they want technical tie-ups with the Canadian Aerospace Industry and invited a Canadian partnership-building mission to visit Korea.

The 70 businessmen issued their call during a news conference sponsored by the trade-industry ministry at the headquarters of the Korea Society for Advancement of Machinery Industry (KOSAMI) in Southwestern Seoul.

They urged the Canadian Government to send a delegation of government and private-sector aviation experts to inspect the Korean industry and discuss cooperation.

A team from Korea's aviation industry visited Ottawa and other major Canadian cities Aug. 9-19, meeting their counterparts and government officials.

Korea and Canada have exchanged lists of aviation-linked companies as well as statistics and general information on each other's aviation industry.

Through the technical tie-ups, Korea will be able to increase its aircraft exports while Canada will profit from Korea's manufacturing skills and expand exports of aircraft and satellite components, a KOSAMI official said.

Energy Minister To Leave for Canada 13 Sep

SK1209022289 Seoul YONHAP in English 0212 GMT 12 Sep 89

[Text] Seoul, Sept. 12 (YONHAP)—A South Korean delegation, led by Energy and Resources Minister Yi Pong-so, leaves Wednesday for Montreal, Canada, to participate in the World Energy Conference (WEC).

The 20-man team, including Ah Pyong-hwa, president of Korea Electric Power Corp. (KEPCO), will take part in the Sept. 17-22 session with some 5,000 people from 80 nations, an official at the Energy and Resources Ministry said Tuesday.

Yi, a guest speaker on behalf of developing countries, will deliver an address on "Sustainable Energy Gross: Attainable or Impossible?"

In the speech, the official said, Yi will call for an international effort to prevent panic (feared to arise from recent increases in world energy consumption and environmental contamination) by promoting energy conservation and use of recycled energy.

He will meet with Jacob Epp, the Canadian energy, mines and resources minister, to discuss bilateral cooperation in the energy field, he said.

Yi is also expected to meet with U.S. Energy Secretary James Watkins and John Carr, the head of the U.S. Nuclear Regulatory Commission, in the United States on his way home to discuss cooperation.

U.S. Realtors Booked on Currency Violations

SK1209040089 Seoul YONHAP in English 0256 GMT 12 Sep 89

[Text] Seoul, Sept. 12 (YONHAP)—U.S. and Korean real estate brokers and Korean investors were booked Monday on charges of violating the Foreign Exchange Control Law, the National Police Headquarters said.

The seven U.S. brokers charged by Korean police include Ray Pionikowski, head of the Korean branch of General Development Co. (GDC) of Miami, Florida. Also charged were four Korean brokers and 10 Korean investors.

A police spokesman said that since January the U.S. brokers developed waste land in the United States and sold around 330,000 square meters of the land for 6.64 billion won (about 9.8 million U.S. dollars) to 419 Koreans on an installment basis, sending 1.32 billion won to the United States.

Thirteen Korean brokers helped GDC sell the land to the Koreans for a 20 percent commission, he said.

Police will seek arrest warrants for the Americans while reserving action against 410 Koreans who purchased small lots.

Korea's Foreign Exchange Control Law bans purchases of real estate abroad for non-business purposes.

Decline in Support for Four Parties Revealed

SK1309012589 Seoul CHOSON ILBO in Korean
8 Sep 89 p 1

[Text] It was learned that criticism of President No Tae-u's handling of political affairs showed an increase compared to the end of last April and that support for the four parties, both ruling and opposition, showed a decline. This indicates that mistrust for politics has grown.

In a regular political opinion survey, in which CHOSON ILBO and Korea Gallup jointly polled 1,500 men and women over the age of 20 for 3 days from 1 to 3 September, on President No's handling of political affairs, 45.1 percent expressed a critical view, saying that he "is not doing well," while 26 percent expressed an affirmative view, saying that he "is doing well." Meanwhile, 11.6 percent said they neither approve nor disapprove, while 17.3 percent said, "I do not know."

Such a negative view of President No showed an increase compared to last April's survey, which was released on 3 May. In last April's survey, 40.5 percent expressed a critical view, saying that he "is not doing well." The poll shows that the Democratic Justice Party [DJP] enjoys the most support, with the Party for Peace and Democracy [PPD], the Reunification Democratic Party [RDP], and the New Democratic Republican Party [NDRP] following in that order. However, when President No was excluded, the order of popularity for the three Kims is Kim Chong-pil, Kim Yong-sam, and Kim Tae-chung. Of those polled, 19.8 percent supported the DJP, 18.5 percent, the PPD; 17.7 percent, the RDP; and 9.2 percent, the NDRP. Meanwhile, the order of support for the four parties was identical to that of last April's survey, and support for all parties showed a decline by some 1 to 2 percent compared to last April's survey.

Of those surveyed, 27.8 percent supported No Tae-u; 16.2 percent supported Kim Tae-chung; 12.4 percent supported Kim Yong-sam; and 9.8 percent supported Kim Chong-pil. The order of support for the presidents of the four parties was identical to that of last April's survey. When President No Tae-u, who is serving his one and only term, was excluded, 25.9 percent supported Kim Chong-pil; 21.2 percent supported Kim Yong-sam; and 19.3 percent supported Kim Tae-chung. In last April's survey, Kim Tae-chung enjoyed more support than Kim Yong-sam. In last April's survey, 28 percent supported Kim Chong-pil; 24.9 percent supported Kim Tae-chung; and 19.5 percent supported Kim Yong-sam.

Among those who expressed a negative view of President No, 16.9 percent cited as their reason his indecisiveness and insufficient talent; 12.7 percent cited his insufficient resolution of the irregularities of the Fifth Republic; and 10.2 percent cited social instability. Meanwhile, among those who expressed a positive view, 18.3 percent cited

as their reason his many efforts; 14.4 percent cited progress in democratization; and 7.4 percent cited welfare for the grass-roots level of society.

Parties Reportedly To Form Ethics Committee

SK1209020689 Seoul THE KOREA TIMES in English
12 Sep 89 p 2

[Text] Prompted by the graft case involving opposition legislator Pak Chae-kyu, ruling and opposition parties are moving to set up an ethics committee or to adopt an ethics charter during the current National Assembly sitting.

The opposition Reunification Democratic Party [RDP] yesterday proposed writing an ethics charter for lawmakers during the current National Assembly sitting.

RDP leader Kim Yong-sam made the proposal before a party caucus at the opening day of the Assembly.

"It can never be tolerated if lawmakers, both from ruling and opposition camps, should amass wealth through illegal means," said the RDP leader. "I formally propose writing an ethics charter during the current House sitting."

His proposal was prompted by a graft scandal involving party lawmaker Pak Chae-kyu. Pak is sought by prosecutors for questioning.

The ruling Democratic Justice Party [DJP] recently proposed setting up an ethics committee to prevent lawmakers from involvement in graft or other illicit practices.

DJP spokesman Pak Hui-tae, said, "We have reached the consensus that in view of the latest graft scandals (involving Rep. Pak), we need to set up an ethics committee."

DJP sources said the ruling party has prepared three options: Formation of an ethics committee, tightening the role of the Legislation-Judiciary Committee, and formation of a special sub-committee to look into lawmakers' ethical problems.

"The ruling party will consider fielding a bipartisan motion on lawmakers' ethics after consulting with opposition parties about these three options," said the sources.

The largest opposition Party for Peace and Democracy has yet to decide on the issue of the proposed ethics committee, though party members agree on its formation.

"We have to find out first why they are trying to set up such a committee at this time," said party floor leader Kim Won-ki. He added, however, that his party would cooperate in the move to set up the committee.

Diplomatic Reshuffle Effects Overseas Missions

SK0809102089 Seoul YONHAP in English 0806 GMT
8 Sep 89

[Text] Seoul, Sept. 8 (YONHAP)—The government Friday appointed Ambassadors-at-large Choe Chang-sup and Kim Chae-chun to head the Korean embassies in the Netherlands and Indonesia, respectively.

Choe and Kim replace Yun Uk-sop and Kim Yong-sop as ambassadors to the Hague and Jakarta, the Foreign Ministry said. The former envoys were reassigned to the Foreign Ministry as ambassadors-at-large.

In a personnel reshuffle affecting four overseas missions, Kim Ki-su, a researcher of the ministry's Institute of Foreign Affairs and National Security, was named to become ambassador to Brazil. Kim succeeds Kwon Tae-ung, who was called home to serve at the ministry.

Choe Pong-rum, consul general in Baghdad, was promoted to ambassador and will remain at the embassy in Iraq.

Choe Chang-sup, 57, graduate from the Korean Military Academy in 1955, served as ambassador to Libya. Kim Chae-chun, 60, served as the Foreign Ministry's chief planner and consul general in Osaka, Japan, and Hong Kong. Kim Ki-su, 61, was consul general in New York and Sydney, Australia, before serving as the envoy to Portugal and 55-year-old Choe Pong-rum's career includes stints in Senegal as counselor and ambassador to Ivory Coast.

No Asks for Parties Compromise on Chon Regime

SK1209063189 Seoul YONHAP in English 0603 GMT
12 Sep 89

[Text] Seoul, Sept. 12 (YONHAP)—President No Tae-u warned Tuesday that unless the ruling and opposition parties compromise on the liquidation of the negative legacies of former President Chon Tu-hwan's rule he may unilaterally declare the task completed.

Pointing out that he has already expressed his hope that the issue will be settled within the year, No instructed senior officials of the governing Democratic Justice Party (DJP) to actively seek a compromise on liquidating the Chon regime, which has dogged him since he took office.

The change of attitude may backfire, however, as opposition politicians have threatened to launch a concerted offensive against the DJP on the issue.

The ruling party has suggested three steps—testimony by former Presidents Chon and Choe Kyu-ha at the National Assembly, filing by the National Assembly of a complaint against core figures responsible for Chon's misrule and compensation for victims of the 1980 Kwangju civil uprising—to complete the liquidation.

But opposition parties want sterner steps to be taken against the six core figures, including the resignation of one

of them from the National Assembly, as one of two prerequisites for completing the task. The other is testimony.

DJP Floor Leader Yi Han-tong, speaking separately, held out hope of a compromise, saying an agreement for the former presidents to testify before the assembly should be respected and that he would negotiate with the opposition based on the agreement, made at a meeting of senior officials from the four parties.

DJP Chairman Discusses 5th Republic Issues

SK1309002489 Seoul THE KOREA HERALD
in English 13 Sep 89 p 2

[From the "Out and About" column: "5th Republic Issues"]

[Text] Ruling DJP [Democratic Justice Party] Chairman Pak Chun-kyu stressed that the ruling party will try to settle the Fifth Republic problems through compromises with the opposition, after he returned from an emergency meeting with party president, President No Tae-u yesterday morning.

But asked if ex-President Chon Tu-hwan's testimony before the National Assembly requested by the opposition will be realized, Pak, with a smile, simply said, "We will study it."

The party floor leader Yi Han-tong who also attended the emergency meeting of No and the top five party officials denied that detailed methods to complete the cleanup of the Fifth Republic problems were discussed there.

But Yi displayed greater enthusiasm for dialogue with the opposition than Pak, saying that there is no change in the party's position that the party should continue efforts to reach a negotiated settlement of the issue.

*** President's New Style, Cabinet Change Viewed**

41070157 Seoul IRYO SINMUN in Korean
6 Aug 89 p 3

[Article by Journalist Yi Sang-u: "Rule Through Security Agency, Its Gains and Losses; ANSP Wielded Power Standing in the Van but Politically Got 'Nowhere'"]

[Text] [Boxed item; upper lefthand corner]

It is nearly 5 months since President No's political style has shifted from "watery rule" [meaning pliable rule] to "fiery rule" [meaning resolute rule] riding the security agency-controlled political current. Standing at the center of the "fiery rule" is the Agency for National Security Planning [ANSP]. Currently, the ANSP is playing a very important role in the present rule of the No Tae-u administration. There is not a single important political issue in which the ANSP does not meddle, giving the words "security-agency politics" or "rule through the security agency" a realistic ring. Under these circumstances, the priority tasks of the Sixth Republic have by this time faded away, so much so that their

original forms are hardly recognizable. How long is the "security-agency politics" going to last? What is the ANSP, which lies at its center, thinking about? What is it doing now? Are such political actions doing the No administration any good or will they have ill effects? [end boxed item]

In the opinion of political observers, the 19 July cabinet reshuffle marks the beginning of the complete ossification of the ruling pattern of President No, which used to be pejoratively called "watery rule," turning it into a get-tough stance. They have this view because the reshuffling was a striking departure from President No's style in form and in substance. President No is said to have made his own decision in selecting the new cabinet without consulting any one of his close associates, and in announcing the reshuffle, he made it lightening quick taking everyone by surprise in the same fashion his authoritarian predecessors had often resorted to. This was borne out by the fact that the ministers selected in the cabinet reshuffle were not informed until the day before the announcement.

The appointees in the reshuffle represent the complete opposite of President No's previous style of choosing his cabinet. The appointment to cabinet posts of many figures belonging to the so-called TK [Taegu-Kyongbuk] group, in addition to former hard-liners of the Fifth Republic, represented, in a nutshell, a reshuffle showing his confidence to the extent that he might have thought he did not need to consider the opinions of his associates. In the past, presenting himself as a man with "big ears," he used to say that he would always listen to public opinion and seek moderation and balance in handling state affairs and personnel appointments. But the 19 July cabinet reshuffle patently showed his metamorphosis into a "president with fire in him."

Current Political Situation To Continue For Now

One of the characteristics of the cabinet reshuffle was the replacement of the ANSP director and the manner in which the new director was selected. This deserves attention because it is indicative of President No's determination in dealing with the political situation in the future. To put the conclusion first, the replacement of the ANSP director underscores President No's determination to shape the ANSP into a system which he can take complete control of, on the assumption that the political situation will continue to evolve around security issues for the time being and that in that case, the ANSP will assume a very important role. In addition, there is clear evidence that President No has come to recognize the importance of the ANSP for the first time in the 1 and 1/2 years since his inauguration.

In fact, since President No came into power, the ANSP has shrunk, falling into more "hapless" circumstances than ever before. It was an unavoidable reversal of the situation forced by the circumstances of the times. Under the No administration, which was born bearing the mission of achieving democracy and the dissolution

of authoritarianism as the tasks of the time, the scope of ANSP operations was destined to shrink. This was evident because in the past it had been regarded as standing at the center of rule through intelligence and manipulation, and it had been criticized as an organization bolstering autocratic government and obstructing human rights and democracy.

Until shortly before the spate of security breaches, including unauthorized secret visits to North Korea, the functions and organization of the ANSP had been destined to be drastically revamped to suit the era of democracy. As a matter of fact, in July and August of last year ANSP trimmed its organization on its own initiative, eliminating five to six bureau chiefs' posts.

Regarding ANSP functions, not only the opposition parties but also the government party aired their views that the ANSP should keep its hands off domestic politics, limiting its functions to activities related to anticommunist intelligence operations. To back up this demand institutionally, the PPD and the RDP early on prepared draft bills for revising the ANSP law designed to eliminate any room for the ANSP's political surveillance, and the government and the DJP on 13 July of last year adopted a guideline for revising the ANSP law in such a way as to contain an express provision banning political surveillance.

On 29 November the Committee for Administrative Reform [CAR] pointed out that "ANSP has been performing duties to collect domestic and overseas information related to national security and to conduct criminal investigations as provided for by the National Security Law and other related laws, but in this process, it has violated human rights on many occasions and interfered in politics, thus incurring the condemnation of the public." For this reason, the CAR adopted a "draft plan to readjust the intelligence functions of the ANSP and other related organizations" in line with the aforementioned duties. The readjustment plan limits the ANSP functions to the collection and analysis of domestic and overseas information relating to national security and the investigation of crimes stipulated in the National Security Law, with the scope of its investigative functions confined to the investigation of genuine communist activities and seditious activities. In particular, the plan excludes from the ANSP functions the power to investigate political crimes committed in violation of the National Security Law, a power which the ANSP has politically abused. On 1 December, 2 days after the CAR plan for ANSP readjustment plan was adopted, the State Council in line with this plan adopted an ANSP Law revision bill designed to make the ANSP maintain political neutrality and observe the habeas corpus procedures. Subsequently, from late last year through early this year the government party and the three opposition parties finally reached an agreement on an ANSP Law revision bill aimed at restricting domestic ANSP activities. Despite this agreement, the revision bill has not been acted upon in the National Assembly due to negligence on the part of politicians. But, in reality, prior to

the agreement the ANSP functions had already been curtailed to the extent envisioned by the revision bill. In addition, the standing of the ANSP diminished significantly from that of absolute authority—in the past it could do anything it chose to. This was apparent in the attitudes of the successive ANSP directors installed since the inauguration of the No administration, as well as various changes in the ANSP practices.

Briefing Illustrating Metamorphosis

Pae Myong-in, who was appointed as ANSP director last May, became the first ANSP director to make the rounds of the headquarters of the opposition parties to pay courtesy calls on their presidents. Showing his readiness to lend a willing ear to the opinions of the presidents of the opposition parties, he promised that "the ANSP will refrain from political surveillance, limiting its activities to its germane duty to collect overseas intelligence and domestic security information." In his instruction to ANSP employees, Director Pae Myong-in stressed that they should refrain from conducting political surveillance and stop meddling in politics. Thus during his 8 months in office, the ANSP became an agency which stayed practically dormant. It may have been coincidental, but during this period there was not a single case of communist activity, and the Third Bureau of the ANSP, which had been the busiest of all bureaus in the past, had no business coming in through its open door. In those days one of the employees of the Third Bureau lamented, "we have nothing to do, so we are becoming neurotic."

Pak Se-chik, who replaced Pae Myong-in as ANSP director, began to strive to revitalize the ANSP as soon as he was installed in that post. When Chong Chu-yon, honorary chairman of the Hyundai Group, returned home from a visit to North Korea, Pak dealt a blow to the North policy and the North policy team by throwing cold water upon the so-called "Mt Kumgang boom." As a consequence, the lax atmosphere concerning our relations with North Korea since President No's 7 July declaration suddenly cooled off. Subsequently, the Reverend Mun's visit to North Korea touched off the security agency-dominated political situation, and with the entry to North Korea by Assemblyman So Kyong-won and Miss Yim Su-kyong, the security agency-dominated political situation reached its peak, and this is the current atmosphere.

From this analysis, we may infer that the ground for the current security agency-dominated political scene was prepared by Director Pak Se-chik. We can further point out that under his directorship the ANSP seized an opportunity to restore its past influence. However, opinions are mixed as to whether Pak Se-chik himself is a hard-liner or not. In addition to being a former military man, during his service as ANSP director, the ANSP regained its strong power—without regard to whether it was a good thing or a bad thing—making the political scene once again dominated by the security agency. In view of this fact, some people regard him as a hard-liner.

On the other hand, others have the opposite view, regarding him as a "smart" person with a keen sense of international affairs. It is interesting that even some opposition politicians are among those who have a favorable opinion of him.

In fact, Pak Se-chik, immediately after he assumed the directorship of ANSP, tried to win international approval of his organization, and a quite a few persons point out that he was among the people who have endeavored to get popular support for the ANSP. Early this year, about a month after his appointment, Pak invited the presidents of four major political parties, including three opposition parties, and their senior officials to a briefing session on the security situation, thus opening the ANSP, which had existed only behind the tightly locked doors in the past, to the public.

A few days later he invited journalists in separate groups for briefing sessions, in which the director himself, his deputies, and aides, and bureau chiefs were on hand to give relatively detailed explanations on inter-Korean relations, relations with East European bloc countries, and the situation surrounding the Korean peninsula, disclosing even Class-2 classified materials. In these briefing sessions, Director Pak Se-chik stressed the born-again image of the ANSP by declaring that "the ANSP can no longer repeat its unfortunate past of having been deeply involved in the political world under the authoritarian system."

It is not clear how the ANSP came to be at the center of the political scene dominated by security issues, giving the impression that it was reverting to the past practices under Director Pak Se-chik, who previously had pledged to bring up his organization as one enjoying public support by divorcing itself from politics. According to one theory, the pattern of the security agency-dominated political scene was created by the changed ruling style of President No himself and his will, not by the ANSP director. Some said that the ANSP repeatedly issued summonses in connection with the case of Assemblyman So Kyong-won under orders of President No, not by instructions from its director, Pak Se-chik.

It may be for this reason that quite a few among the PPD regard former ANSP Director Pak Se-chik as a moderate person. Upon stepping down as ANSP director, Pak made a courtesy call to PPD President Kim Tae-chung over the phone saying "I am sorry that while in office, I have not done anything particular that was helpful to you." Needless to say, this gesture was one factor that left a good impression of him.

Protagonist in Security Agency-Controlled Political Scene Under Fifth Republic

The replacement of the ANSP director in the 19 July cabinet reshuffle was something anticipated beforehand. Leaving the inside story aside, a series of events that had surfaced alone were sufficient to make the replacement of Director Pak inevitable. It was not until 10 months had passed after Assemblyman So Kyong-won's secret

visit to North Korea that the intelligence agency confirmed his visit as a fact. Earlier, the same question was raised in the case of Reverend Mun Ik-hwan—the question of the slowness in detecting his secret visit to North Korea. In addition, Pak was also bound to be held responsible for the failure to keep tabs on the overseas activities of National Assembly members and important personages of the state.

True, the replacement of Director Pak Se-chik is nothing out of the ordinary. But the appointment of So Tong-kwon as his successor was an event that deserves attention. This is not because it is rare for a former prosecutor to be appointed as ANSP director but because his career and background and his special relationship with President No are noteworthy.

The new ANSP director, So Tong-kwon, was 1 year behind President No in his Kyongbuk High School days and is counted as one of the key figures of the TK group. Some critics were quick to point out that while serving as the public prosecutor general from 1985 through 1987 under the Chon Tu-hwan regime, he set up public security sections in district and branch prosecutors offices not only in Seoul but also in other areas, thus creating the "fifth security agency-controlled political situation."

The opposition parties were bitterly against the appointment of So as new ANSP director. The PPD expressed its displeasure saying he is an authoritarian public security expert who served as the prosecutor general in the last days of the Fifth Republic. RDP Vice President Kim Tong-yong criticized him by saying "Mr So is the man who stirred up trouble by attempting to take 17 opposition National Assembly members into custody when he was the prosecutor general and who subsequently, as a lawyer, took upon himself the task of defending most of the defendants related to the Fifth Republic."

On the other hand, with regard to the fact that he is a former prosecutor general, some critics say that "from now on there will be less frequent complaints about illegality in ANSP investigations." However, we have to wait for a while to see whether the ANSP under its new director So Tong-kwon, who has drawn mixed reactions, negative and positive, upon his appointment, will fit into the negative or the positive image. However, what deserves attention with regard to the appointment of the new ANSP director is that President No's intentions are

strongly reflected in the appointment. To be more specific, rather than appointing an incompetent person or a politically oriented person, the president appointed a man who can turn the ANSP into an organization excelling in terms of administrative job performance, and one the president himself can fully control.

By installing So Tong-kwon as ANSP director, President No has brought the ANSP, which has emerged once again as the de facto center of politics, completely under his control, just as his predecessors, former Presidents Pak Chong-hui and Chon Tu-hwan, did. This, President No may think, has paved the way for him to effectively exercise his executive power not as a spineless president, but as a president with fire inside.

A watery president may pose a problem, but we should be on our guard against any problems that may arise from his becoming a president with fire in him. Particularly, "rule by the security agency" through the ANSP at first glance looks efficient and competent, but it must be recognized that it can have mortal side effects. This is all the more likely under the circumstances where the ANSP has not shed its old shell at all in terms of its functions and organization.

Failure To Shed Old Shell Will Have Ill Effects

It may be said that some ill effects have already begun to surface, for instance, the case of the KAL plane's forced delayed landing on 5 July in connection with the taking into custody of PPD Assemblyman Yi Chol-yong; the allegation generated through media manipulation that PPD President Kim Tae-chung sent a secret letter to North Korean authorities; and the recent illegal search of the office of an opposition candidate for the Yongdungpo B Constituency.

The truth about some of the charges have not been ascertained yet. But if in the future they should turn out to be false, or it should become clear that the ANSP was involved, naturally the criticism will be turned on President No himself.

Any time the ANSP becomes involved in politics in any form, this kind of ill effect will be unavoidable. Of course, there will be immense political gains from ANSP involvement. Nevertheless, the profit and loss accounting should be done from a long-term point of view. It seems that this is high time to recall the way the Pak Chong-hui and Chon Tu-hwan regimes ended even though they felt on top of the world while imposing their rule through the politics of intelligence and manipulation.

Burma

Khin Nyunt Gives 'Special' News Briefing

First Installment

BK1009090189 Rangoon Domestic Service in Burmese
1330 GMT 9 Sep 89

[Excerpts] Brigadier General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC], held a special news conference with local and foreign journalists at 0900 today at No 2 guesthouse of the Ministry of Defense.

The news conference was attended by Brigadier General Phone Myint, minister of home and religious affairs and minister of information and culture; Brigadier General Tin U, SLORC secretary-2; Brigadier General Myo Nyunt, commander of the Yangon [Rangoon] Military Command Headquarters; Member Saya Chai and Secretary U Aye Maung of the Commission for Holding Multiparty Democratic General Elections; Commander Than Nyunt, naval staff officer; Colonel Thein Win, air staff officer; commanders of military divisions; military regional commanders; members of the SLORC Information Committee; Managing Director U Soe Nyunt, Directors U Hla Tun and U Tin Htwe, and chief editors of the News and Periodicals Enterprise; and representatives of foreign media—U Sein Win of AP, U Chit Tun of UPI, U Hla Gyi of REUTER, U Khin Maung Thwin of AFP, U Hla Htwe of ANTARA, U Myo Thant of ANSA and YOMIURI SHIMBUN, Mr (I. Kunayev) of TASS, Mr (Zhao Yanhwe) of XINHUA, U Maung Maung of Japan's JIJI, U Thitsa Hla Htwe of Tokyo Broadcasting Service [TBS], U Ne Win from ASAHI SHIMBUN, U Limbin Hteik Tin Latt of NEWSWEEK magazine; senior military officers; the director general of the People's Police Force; and directors general of departments concerned. [passage omitted]

At the news conference, Brig Gen Khin Nyunt explained the arrest of people connected to the underground movement the ADSB [Alliance Democratic Solidarity of the Union of Burma] headed by Bo Khin Maung; the exposure of organizations making use of students in overt and covert activities; interference in the internal affairs of Myanma [Burma] by some foreign embassies, overseas broadcasting stations, some journalists and organizations; local insurgency being carried out through the coordinated efforts of overseas organizations and local insurgents; the acts of some individuals and organizations trying to break up the Defense Forces; the need to defend the state through collective strength against dangers; and the need for all the people to take part in and work for the success of the multiparty democratic general elections. [passage omitted]

Brig Gen Khin Nyunt said it was not only the BCP [Burma Communist Party] but also right-wing elements—certain diplomats, overseas broadcasting stations, some foreign journalists, and overseas antigovernment elements—who had become involved in their own

way in last year's crisis. Because of the state of affairs in the country, insurgent organizations at the border areas and elements, who for different reasons have been staying in foreign countries and are opposing our nation, immediately took advantage of the situation. They formed organizations by widely quoting the word, "democracy" and tried to turn the situation in their favor. They resorted to all means to instigate the students into fleeing the country for the border areas. Pointing to the youths at the border areas, they sought funds from abroad. In doing so, they conspired and coordinated their movement with local people connected with the organizations, foreign embassies, and foreign journalists.

What I would like to tell the journalists today concerns the ADSB headed by "Thanmani" ["Steel"] Bo Khin Maung, who disappeared from our country [and resurfaced in Thailand]; Zali Maw, son of Dr Ba Maw [late head of state of Burma under Japanese occupation]; and Maung Aung, son of the patron of the League for Democracy and Peace [ousted Prime Minister U Nu] who, together with Zali Maw's contact—U Ye Tun—sought and received assistance from a foreign embassy. They received assistance in the form of moral support. With this backing they intended to influence the students and the political parties with financial aid. Their underground methods will now be explained.

Simultaneously, he said, an explanation will be given along with proof regarding the violation of diplomatic norms by some foreign embassies. The things I am about to explain are extremely important for the country, and they are something people should know about. The time is also ripe to explain these to the people, and therefore the facts and the true situation are being presented to them.

Before I go on, I would like firstly to say this. In explaining things, there may be instances where I have to use nonspecific terms such as "some individuals or organizations," "a country," and so forth. Though this has to be done, there is no personal grudge against anyone. There is no intention to hurt or cause any harm to any organization or any country.

We received information that a certain U Ye Tun, a resident of No 5A on Po Sein Road in Bahan Township, had been making contacts with the ADSB headed by Thanmani Bo Khin Maung and encouraging underground activities of that organization in Yangon. According to reports reaching the National Intelligence Bureau, he was supervising the youth underground group called the National Freedom Fighters of Burma [NFFB] and creating instability in the country.

From 31 July 1989, the National Intelligence Bureau has arrested and interrogated 52 people, including U Ye Tun. In addition to seizing supporting documents and evidence, the bureau has also captured one ADSB underground cell member sent into the country by Bo Khin Maung and Zali Maw. He is Khin Tin Htay who goes

under the nom de guerre of "(Shway)". He was arrested at the home of U Ye Tun. We shall be presenting proof of this. [passage omitted]

In August 1988, through his son, Okka Maw Tun, U Ye Tun got in touch with Min Ko Naing, Aung Kyaw Soe, Thurein, and others. Quite a number of students stayed at U Ye Tun's home and played active parts in last year's events. In August, Zali Maw, who was practicing law in Thailand, visited Yangon. He stayed at the residences of U Ye Tun and Bo Yan Naing and discussed how to continue the underground activities. He had come to discuss arrangements on how to regularly receive news about developments in Myanmar. While in U Ye Tun's home, Zali Maw met Min Ko Naing, Aung Kyaw Tun, and several other students. Zali Maw said appropriate assistance will be given when the students flee to Thailand.

On his return to Thailand, Zali Maw frequently phoned U Ye Tun and asked when Min Ko Naing was coming out of the country. A similar question was also asked by Dr Tin Myint U, a son-in-law of U Thant [former UN secretary general]. Min Ko Naing, we have learned, did not give any specific answers about his intention to go abroad. [passage omitted]

U Ye Tun became friendly with Min Zeya [student leader] because of his intimacy with members of the Ma-Ka-Da [All Burma Students Democratic Movement]. He gave encouragement and advice to the Ma-Ka-Da. In September 1988, when the Defense Forces assumed the responsibilities of the state, Min Zeya and his group could no longer operate as Ma-Ka-Da, and hence formed an underground group called the Burma Liberation Army, BLA, and operated secretly. Fourteen BLA commanders were appointed for the different states and divisions, and the group was headed by generals Min Zeya, Win Moe, and (Lin Nwe). The group was financially supported by U Ye Tun. [passage omitted]

I will now deal with the contacts made with and the assistance sought from foreign embassies. By the end of September 1988, because of rumors that students were to be arrested, some students fled to the border areas, some operated clandestinely by forming underground cells, and others formed students unions as usual.

At the time, U Ye Tun heard that an embassy in Yangon was giving financial support to the students. He directly approached that embassy. By then, a four-member delegation from the country represented by that embassy was visiting Myanmar. The four-member delegation had come to Myanmar to observe the situation in the country. Since one of the visitors was already known to U Ye Tun, arrangements were made for a meeting. We have proof of this.

The following day, U Ye Tun arranged a meeting at his residence for the four visitors on a special mission so that they could meet Min Zeya, Win Moe, Moe Maung Maung, and two other students from the Ma-Ka-Tha [All Myanmar Students Union]. The meeting lasted for about an hour. Discussions were held on events during the

crisis, the situation of the Ma-Ka-Tha at the township level, the emergence of the Ma-Ka-Tha and the Ba-Ka-Tha [All Burma Students Union], the situation of the students, the situation of the underground operations of the Ma-Ka-Da, and the arms and intelligence training being received by members of the Ma-Ka-Da at the Indian and Thai borders. It was also agreed that the Ma-Ka-Tha would operate overtly and continue to engage in political struggle. Ma-Ka-Da, however, was a covert organization and financial support was needed for its operations. The foreign visitors discussed the assistance they could give, and asked that contacts be made with the embassy because they would soon be going home. Min Zeya was given 2,000 kyats for immediate use. From that time, U Ye Tun and his group maintained continuing contacts with the embassy. Cash was drawn from an embassy official of second secretary rank.

Earlier, Min Zeya himself drew cash from the embassy. He obtained between 5,000 and 10,000 kyats every trip. Later, it was only U Ye Tun who made direct contact with, and withdrew cash for, the students from an embassy official with a rank of political counselor. Accounts were kept of his withdrawals.

Between November 1988 and June 1989, U Ye Tun withdrew 548,350 kyats from the embassy for distribution to some student organizations and political parties. However, he actually spent only 45,215 kyats. Investigations reveal that he spent 143,135 kyats for personal use by falsifying the expense accounts produced for the embassy. The documented accounts are available for inspection as evidence. [passage omitted]

Brig Gen Khin Nyunt later explained U Ye Tun's contacts with the ADSB. He said U Ye Tun and Zali Maw maintained constant contact by phone and mail. Whenever a military attache, a second secretary, or the counselor from the embassy of a major country who was providing U Ye Tun with cash, went to Bangkok, they took mail to and from Zali Maw. Moreover, Zali Maw was also given news from Myanmar. Publications distributed by the students at the border were also brought back to U Ye Tun for distribution.

[Passage omitted] In addition, we discovered that through U Ye Tun, the ABSDF [All Burma Students' Democratic Front based in the border areas] had established contacts with the Ma-Ka-Tha-Pha [All Burma Students Union Reorganizing Body]. All of these links were facilitated with the financial support and assistance of a major embassy in Yangon.

Moreover, the diplomatic pouch was used with the assistance of a diplomat from the embassy of a superpower nation to establish mail links with Zali Maw. [passage omitted]

The National Freedom Fighters of Burma [NFFB] was secretly formed. The key persons in charge of that organization were Thura Soe, alias Thein Aung, [words indistinct] now under arrest. U Ye Tun was providing

financial assistance to that organization also. Hence, we can guess the importance of U Ye Tun's role. [passage omitted]

Zali Maw and Myint Thein, alias Pyi Thein, of the ADSB directly controlled the NFFB. The organization investigated military installations in Yangon and movements of political parties. U Ye Tun provided funds monthly for NFFB operations. The organization had to gather information locally and send it back to Bo Khin Maung, send members to the border areas to attend demolition training, and create instability in the country by using these trained sappers to cause explosions throughout the country.

In May 1989, Thura Soe, alias Thein Aung, returned to Yangon. He received 76,000 kyats from Bo Khin Maung to conduct underground operations. He was given a camera to take pictures of prominent places in Yangon. Thura Soe then sent San Min of No 10 Mandalay Zone to Zali Maw, and he himself went back to the ADSB one more time. By 7 May 1989, he had already sent nine youths to the ADSB. The NFFB under the ADSB had two distinct zones—Zone No 9 and Zone No 10. Yangon is Zone No 9 and extends from Hmawbi to Bago and Pyi according to townships. Zone No 10 covers Mandalay. Plans were made to launch activities in Pinlebu, Homa-lin, Mohnyin, Kawlin, and Wuntho regions. Groups were formed to launch urban guerrilla warfare according to regions.

The ADSB sent arms to Upper Myanmar areas through the KIA [Kachin Independence Army]. We understand that they also plan to conduct training courses in the KIA areas. Under the present situation, the NFFB is recruiting new members and conducting intelligence missions in KIA areas. The publications and [words indistinct] produced by that organization are on display. [passage omitted]

Regarding U Ye Tun's connections with Bertil Lintner, Brig Gen Khin Nyunt said Zali Maw was back in Myanmar between 27 July 1988 and 3 September 1988 to investigate events in the country. He also met Min Ko Naing. This was reported earlier. Soon after Zali Maw's departure from Myanmar, Bertil Lintner phoned U Ye Tun's residence from Bangkok and asked for a meeting with Min Ko Naing. He thus established his first links with U Ye Tun. About 2 days later, Lintner's wife phoned U Ye Tun at night and again asked for a meeting with Min Ko Naing. Since Min Ko Naing was not there, Lintner's phone number and address was given so that he could be contacted if there were any developments. In May 1988, Lintner came to Myanmar with the other journalists and had a separate meeting with U Ye Tun. The visitor said he was writing a book on Myanmar which was soon to be published. He said he would hand over the proceeds from the book to the Myanmar students. U Ye Tun and Bertil Lintner then discussed the internal situation, the drug issue, and the student movements. In addition, U Ye Tun supplied Lintner with news about

Myanmar through secret diplomatic channels, and therefore Lintner was able to write articles about Myanmar. Lintner's book "Outrage" was obviously written with information supplied from U Ye Tun. [passage omitted]

Brig Gen Khin Nyunt said the facts being presented are the results of the National Intelligence Bureau launching a special operation. Arrests were made only with strong evidence, and the results of the investigation are being presented.

He called on the journalists to sympathize with the parents of the students. How is the situation facing the youths today? By nature, youths are active. They love truth and justice and are strong in spirit and adventurous. But, not everybody knows the true facts or the actual events in the country. They only believe in rumors. Moreover, they cannot know the truth because of incitement by evil elements.

Regarding the formation of organizations and activities by the students, they have to ask themselves what their goals are. They need to know and understand how they can contribute correctly and positively to the interests of the nation and the people. The time has now come for them to study carefully the situation so that they will not be persuaded or cheated by the evil work of the insurgents. Genuine democracy cannot be achieved without law and order. Anyone violating the law will be charged in accordance with the law. Youths and students who will lead the country in the future should not associate with the wrong people. They should forget about loving the stepmother more than the real mother and start loving their own race.

[Passage omitted] Brig Gen Khin Nyunt said: We understand that under the present situation, certain major countries, on the basis of false information, have the wrong impression about Myanmar. I will now continue explaining the extent of interference in Myanmar affairs by some countries, that is, interference in our affairs by some embassies. I have already explained how a foreign embassy of a major country is financing the overt and covert activities of the Ma-Ka-Tha-Pha [All Myanmar Students Union Reorganizing Body] through U Ye Tun, and acting as a link between the insurgent ADSB in Bangkok and U Ye Tun's group.

The same embassy was also found to be funding the Ya-Ka-Tha [All Burma Students Union]. The Ya-Ka-Tha was established following the crisis. Its leaders were Tint San, Pyone Cho, Kyaw U, (San Myint U), Toe Lwin, and Ma Tin Tin Nyo. [Passage omitted] While Ya-Ka-Tha was undertaking organization work, Tint San got in touch with that embassy and received assistance. In January 1989, the embassy gave 30,000 kyats to Tint San for the Ya-Ka-Tha to hold a congress.

On 22 January 1989, U Sein Mya [former divisional commander] and his associates fled to the Thai border where Bo Khin Maung was staying. They joined the ADSB in April and also secretly contacted the Ya-Ka-Tha. On 2 March 1989, it is learned, the same

embassy secretly provided through Tint San 50,000 kyats for U Sein Mya and his group to use during their escape to Thailand.

In addition, during the time of the crisis, officials of a major country's embassy established contacts with the demonstrators inside the Yangon General Hospital. They made use of the local staff at the embassy not only to obtain news but also to set up contacts. In this way they were able to establish links with Dr Tin Myo Win who was on duty at that hospital.

On 23 August 1988, talks were held with the Counselor of Embassy for Political and Economic Affairs [preceding eight words rendered in English]. During the talks, it was said that the official supported the demonstrators and wanted to assist them. By that, he meant the three "M's"—morale, military, money and material support. He said he supported the morale of the Myanmar people. Regarding the second factor—military assistance, he said since his country had no major investments and since not many people from his country were residing in Myanmar, that assistance could not be forthcoming immediately. It is understood, however, that he offered to provide money and material support. He noted the need for the demonstrations to be united into a strong force. Taking this advice, Dr Tin Myo Win, founded the SCS—Supervision Committee for Students Movement.

On 28 August 1988, when informed about the formation of the SCS, the top diplomat of that embassy visited Dr Tin Myo Win at the General Hospital and invited him to come to the embassy.

On 1 September 1988, Dr Tin Myo Win went to the embassy and again met the diplomat. The doctor was told that financial assistance was being provided to the students as necessary and that the students who had left for the border areas were also being supplied with financial aid. The diplomat expressed his country's interest in developments in Myanmar. Dr Tin Myo Win was given 10,000 kyats to be used for SCS operations and was told to bring more demonstrators to the front of the embassy and to bring them there more frequently.

Brig Gen Khin Nyunt said: you journalists know where the demonstrators gathered the most. Later, Dr Tin Myo Win was called frequently by the diplomats of that embassy and asked about the situation of the students and about the general situation.

The diplomats who supported and assisted Dr Tin Myo Win also contacted the student leaders during the crisis time and instigated them. Following the assumption of state responsibilities by the Defense Forces, the ambassador of that embassy supported the forces opposed to the SLORC and the Defense Forces which were building peace and stability in the country.

We found that embassy trying to dissuade other countries from extending diplomatic recognition to and having normal relations with our country. We found that

embassy also asking other countries not to provide economic assistance to Myanmar.

We know about the counselor and the first secretary of that embassy meeting students, political parties, and youth members of underground cells at the embassy, at their residences, as well as at party offices. Although we do not wish to comment on ordinary meetings, we have noticed that statements were made which had the effect of encouraging activities, sowing discord, and rekindling unrest. These acts are in violation of diplomatic norms.

The following facts prove our point: On 24 October 1988, they met Moe Thee Zun, Thet Tun, Moe Hein, and Ye Naing Aung and said that assistance had been cut off from the Myanmar Government, that measures to prevent other major countries from assisting Myanmar had been undertaken, and that help would be given to the students.

On 2 November 1988, they visited the Office of the Democratic Front for National Reconstruction of Widura Thakin Chit Maung, and urged youths they met on the ground floor to continue their struggle courageously.

On that same day, they met U Kyi Han, U Win Tin, and U Lwin of the National League for Democracy and also had another meeting with Moe Thee Zun and Moe Hein.

On 26 January 1989, they met with Moe Thee Zun and Ko Ko Gyi. The topics they discussed would best be known by them.

On 21 April 1989, the very same diplomats called Ko Ko Gyi and Nyo Tun and urged them to undertake activities to demand the release of Min Ko Naing.

At a news conference held by the Democratic Party for New Society at the Da-Ma-Hpa [expansion unknown] Office on Bo Aung Gyaw Street on 22 July 1989 and after the journalists had departed, a diplomat from the embassy of a major country had a separate meeting with the students and told them not to be quiet, to create unrest, and to demonstrate for the release of Daw Aung San Suu Kyi and U Tin U.

We also know about the meetings held with youths and personages from other political parties and the encouragement given to them to carry out antigovernment activities. These are not normal meetings but are acts which violate diplomatic norms.

Another major embassy has also made use of its local staff to gather news from the local people and from among youths and students, sent the news to foreign broadcasting stations, used the name of a foreign journalist, and broadcast the made-up news worldwide. They never verify the facts, and since the news has not been obtained systematically as real journalists would obtain it, the news being sent back home to be broadcast is full of rumors. The local staff members that the embassy is using are not trained journalists and therefore they only bring back rumors passing for news. In other words, what they take as news is actually rumors spread by the

underground members of the BCP [Burma Communist Party]. What is important to them is not the veracity of the news but to scoop the others and to slander the government in their broadcasts.

There are other forms of interference too. An embassy was seen providing financial assistance to and refuge within the embassy for youths and students who had fled to the border areas for various reasons. We know about Min Zeya being given 10,000 kyats following an intercession by U Ye Tun in June 1989. The amount was given for Min Zeya to return to Mudon Township.

Another act by an embassy is even worse. Following the student unrest in March 1988, several male and female students were detained briefly and later released. Taking advantage of the situation, unscrupulous people spread the rumor about a girl student being raped by security personnel in the prisons. All sorts of organizations exploited this to instigate a mass uprising.

At that time, an embassy joined that bandwagon in spreading the false news. It said that the report about the girl student being raped was true. When the party chairman, U Ne Win, found out about that report, U Lay Maung, member of the Council of People's Inspectors, was told to investigate the matter, and U Lay Maung personally met the girl student. The ambassador himself knew about the report, investigated it, and found it to be positive.

People in touch with the embassy come from all walks of life, and among them are important people from political, economic, and public service circles. Because the ambassador himself said it, they believed the news. We know about it, and have investigated the matter in detail.

U Lay Maung himself was interviewed by the authorities concerned in August 1988, and it had been revealed that the news spread by the ambassador was totally false. We have informed the public that this rumor was a lie at previous news conferences. [passage omitted]

Brig Gen Khin Nyunt said he wanted to deal with the ambassador of a major embassy. He is well known for his knowledge of international relations and international politics. He has shown a keen interest in and was studying the affairs of Myanmar.

From June 1988, when the unrest began, he was meeting old politicians, students, and union leaders. Based on his meetings and on the slogans being chanted by the demonstrators around his embassy, he was heard to have predicted with certainty that a new government they could manipulate would soon come into power.

At the same time, we understand he was predicting who the next military leaders and regional commanders would be when the next government came to power. However, since his predictions did not come true, he exaggerated the so-called barbarous killings of the Defense Forces. This was to create difficulties for the SLORC Government. He tried to prevent his country

from giving aid to Myanmar. In addition, he also suggested to his foreign ministry that other governments be urged to halt foreign aid to our country.

The fact is the ambassador believed whatever the opposition forces were saying. He limited his views on the turn of events and failed to understand the history of Myanmar, the customs and way of thinking of the Myanmar people, and the history, character, and nature of the insurgents in the country as well as those of the Defense Forces. We believe that was why he made the wrong predictions.

Even if he was wrong in violating diplomatic norms and in interfering in the internal affairs of Myanmar, we believe he should have corrected his error once he realized that he was doing something wrong. If he continues to do the wrong things, we believe he should not be doing them now, but he is still doing things that are not right.

There are also other cases of interference by embassies in Yangon which have not been disclosed because they should not be disclosed. We wonder if what these ambassadors are doing is on their own initiative or in accordance with the policy of their governments. We would like to believe that they are doing these things on their own initiative and that the governments concerned do not know about what is going on. We have always acted in accordance with the saying, prolong love and curtail hatred. We gave very serious thought and reported these things only after coming to the conclusion that the people ought to know about them.

The people who are giving foreigners assistance in interfering in the internal affairs of Myanmar are locals who frequent the embassies. They visit the embassies through personal friendship, through their relatives, and through a working relationship. These people do not have a correct attitude and their behavior in spreading rumors and providing information undermines the prestige of the country. [passage omitted]

What we would like say is that the foreign policy and the five principles of peaceful coexistence that Myanmar is practicing should be respected. The correct stand of Myanmar should also be treated with respect.

Second Installment

BK1109082089 Rangoon Domestic Service in Burmese
1330 GMT 10 Sep 89

[Excerpts] Brigadier General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC], held a special news conference with local and foreign journalists at 0900 yesterday at No 2 guesthouse of the Ministry of Defense.

At the news conference, Brig Gen Khin Nyunt explained the interference in the internal affairs of Myanmar by foreign news agencies and broadcasting stations both during and after the unrest in the country. [passage omitted]

Brig Gen Khin Nyunt said that all throughout—while events were heading for a crisis situation, while the crisis was going on, and following the crisis—foreign news agencies and broadcasting stations interfered in, encouraged, and incited unrest, as well as spread false news and rumors. Some of these instances will be explained to journalists today.

The key foreign media sources that blatantly violated international norms, interfered in internal affairs, and resorted to all means to oppose Myanma are the London-based British Broadcasting Corporation [BBC]; the Washington-based Voice of America [VOA]; the New Delhi-based All India Radio [AIR]; the London-based newspapers—TIMES, the INDEPENDENT, the INTERNATIONAL HERALD TRIBUNE, and the FINANCIAL TIMES; the Bangkok-based dailies—BANGKOK POST and THE NATION; the Washington-based newspaper WASHINGTON POST; the Hong Kong-based magazines—ASIaweek and FAR EASTERN ECONOMIC REVIEW; the Washington-based magazines—TIME and NEWSWEEK; and the London-based SUNDAY TIMES magazine. [passage omitted]

Especially on the four eights [8 August 1988], they worked to create a general strike and cause nationwide unrest. By repeatedly reporting beforehand that a general strike would be staged on that day, they helped coordinate the timing of strike committees in the country. The timely broadcasting of an interview program by Christopher Gunness at 2045 on 6 August 1988 had a very great impact, it was like stoking the coals and fanning the flames. BBC correspondent Gunness, who visited Myanma in July 1988, staged what was purported to be an interview with some students who took part in the incidents and were released after being arrested and tortured. It was an effective incitement of the many BBC fans throughout the country. [passage omitted]

In addition, following the assumption of state responsibilities by the Defense Forces, BBC and VOA reported news about the Defense Forces arresting those who took part in the demonstrations. They, therefore, brought about the departure of students for the jungles. [passage omitted]

Similarly, since the unrest in the country, AIR, which usually broadcasts little news about Myanma, has been blatantly interfering in the internal affairs of the country by continuing to broadcast false news and reports that oppose and attack the government. [passage omitted]

In the same way that some foreign broadcasting stations are interfering in the affairs of Myanma, so also are overseas publications, which resort to both direct and indirect methods to interfere in our affairs. The two magazines that have been consistent in writing about Myanma, inciting trouble, and distributing the news are the Hong Kong-based ASIaweek and the FAR EASTERN ECONOMIC REVIEW. The ASIaweek of

22 September 1988 grandly ran a cover story with pictures of the leaders of the opposition organizations. [passage omitted]

The majority of those journalists who resort to all kinds of tricks to incite trouble as well as write false news, exaggerated reports, and news that conveys a double meaning, are journalists from Western media sources and foreign correspondents. Local journalists are not included in this list. Well known among them are the Swedish journalist, Bertil Lintner, and a Briton, Christopher Gunness. [passage omitted]

Lintner was also involved in the latest interference in the internal affairs of Myanma. In connection with the bomb blast at the Syriam refinery, he recently sent a letter to some embassies in Myanma saying that the sappers were innocent because those who exploded the bomb were a group of Karen nationals in Yangon.

An indigenous national who is a staff worker at an embassy belonging to a major country was found to be a go-between for the ABSDF [All Burma Students' Democratic Front] and Soe Myat Thu, joint official in charge of the ABSDF's Supply Committee, who was taking refuge at Daw Aung San Suu Kyi's home after arriving in Yangon. The mail link is that letters can be sent to a diplomat of first secretary rank at an embassy in Yangon who in turn sends them to Bertil Lintner. Lintner then sends the letters to the ABSDF in Bangkok. A second secretary at an embassy in Bangkok is also a link in the chain. We understand that in this way, messages could be sent back and forth. From this, we can see that a journalist like Lintner has become a representative of the ABSDF in Bangkok.

[Passage omitted] Although newspapers and publications containing Lintner's writings are not widely distributed among the people in Myanma, some of his articles are broadcast in the Myanma language by the BBC and the VOA. Hence, no one can deny the fact that the BBC, VOA, and Bertil Lintner are of one conspiring mind. [passage omitted]

Regarding the interference in Myanma affairs, Brig Gen Khin Nyunt said that he wanted to explain something that happened recently. The VOA broadcast in the Myanma language on the morning of 27 August carried a news item which stated: According to reports received here recently, political prisoners are being tortured in Myanma. The prisoners, it said, were burned with cigarette butts and given electric shocks. Some prisoners are said to be kept in small cells with knee-deep water for some time to prevent them from sleeping for several days before being interrogated.

A similar report was again broadcast in the Myanma language by the VOA on the evening of 2 September. On 27 August, the BANGKOK POST carried details of the story. Quoting a cable message which was sent to the President's Office from the U.S. Embassy in Myanma, the newspaper said that political prisoners are being

tortured in Myanma. [Passage omitted] The cable, according to the newspaper, was signed by U.S. Ambassador Burton Levin.

The same story was also reported in THE NEW YORK TIMES. We are merely stating what was reported; we do not know who actually wrote the report. Only the person who authored the report can confirm it. Such reports being spread now are similar to the ones that helped stir unrest before 8 August 1988. These reports are like the ones that the BBC and the VOA broadcast before and during the crisis period. Thinking about these broadcasts will enable our country and people to see clearly what these reports aim to achieve. It is quite evident that they aim to create another round of unrest in the country. Neither the Defense Forces nor the National Intelligence Bureau has ever engaged in such tortures. I wish to state that we have never done it before and will never do it in the future. Such reports are being fabricated with the ulterior motive of breaking up and destroying our country. [passage omitted]

Regarding foreign involvement and assistance in making students flee to the border areas, Brig Gen Khin Nyunt said that because of the fear of being arrested and because of the instigation of some unscrupulous people, some students fled to the border areas following the assumption of state responsibilities by the Defense Forces. This is known to all. [passage omitted]

Regarding the action taken by the U.S. Congress in giving financial support to the Myanma students at the Thai border, Brig Gen Khin Nyunt said that according to a BBC morning broadcast on 1 July, the U.S. Congress approved \$2 million in aid for the students at the Thai border. On the evening of 20 July, a BBC broadcast said that \$250,000 is being earmarked in a revised bill by Senator Daniel Moynihan to assist the people of Myanma now taking refuge in other countries. We do not know where that money is and how it will be spent.

Regarding the youths at the Indian border, Brig Gen Khin Nyunt said that they fled to (Laiphu) camp in Manipur via Tamu-Moreh and to Champhai-Aizawl town in Mizoram via Tiddim. The youths are considered refugees and as being accepted by the country on the other side. [passage omitted] Due to the poor food and living conditions, because responsible officials concerned handled the youths as if they were inmates, and because camp authorities used beatings and persecution as a punishment method, there were problems between the youths and the camp authorities. [passage omitted]

We understand that on 23 April, youths who were in India met in Assam's Guwahati town and tried to seek military assistance. The Indian Government assigned the Indian Research and Intelligence Agency to observe the developments in Myanma. However, we understand that because of the uncertainty of the elections in India and as a result of activities by the opposition, there was no plan to provide military assistance.

A delegation from the National United Front of Arakan—a merger of Rakhine insurgent organizations on the Bangladesh border—was reported to have visited the Myanma youths camp in India in May. We believe that the purpose of the visit was to recruit the youths. From these facts, it is clear that regional authorities in the country on the other side are assisting the youth organizations at the border in one way or another. We, however, cannot say exactly what the stand of the central government is. [passage omitted]

Regarding a letter sent to the chairman of the SLORC from 19 members of the U.S. Congress, including Daniel Moynihan, Brig Gen Khin Nyunt said that the VOA broadcast on the evening of 5 August stated that the U.S. Senate had passed a resolution denouncing the military authorities in Myanma. The broadcast said that Daniel Moynihan had put forth a motion denouncing the house arrest of opposition leaders Daw Aung San Suu Kyi and U Tin U, and that the resolution called on the Myanma Government to release the two opposition leaders as well as other political prisoners.

The same broadcast stated that a letter was separately sent by 19 senators and congressmen to the chairman of the SLORC. The broadcast said that the letter noted that the recent moves by the government raised doubts about the promised free elections next year. Brig Gen Khin Nyunt said the letter mentioned in the broadcast was received recently. [passage omitted] He said: It comes as no surprise that a message like that has emerged from the circles of people like Senator Moynihan and Congressman Solarz who have been interfering in all sorts of ways in the internal affairs of Myanma. [passage omitted] What the letter sent to us means is that a group of U.S. congressmen is trying to dictate what should be done about the developments in our country. Myanma is not a satellite of another nation nor is it a member of the Commonwealth. It is an independent and sovereign nation, and hence shall not allow itself to be dictated to by anyone. For your information, we will not be frightened by threats regardless of who is making them. [passage omitted]

Regarding contacts between foreigners and leaders of political parties, Brig Gen Khin Nyunt said that some of leaders of the registered political parties have foreign links. Some of them had established links even before last year's events while others had increased ties because of those events. The links established with foreigners by U Nu, patron of the National League for Democracy and Peace, will be explained first. U Nu went on an overseas trip in March 1987. [passage omitted] He returned to Yangon on 8 January 1988—a journey of 9 months and 13 days covering over eight countries. During his trip, U Nu gave lectures on religion. In the same way that he met his children staying abroad and renewed acquaintances with some of his old friends and colleagues and their children, he also met the staff workers of the BBC. U Nu stayed the longest in the United States and spent somewhat less time in India and Britain. [passage omitted]

U Tin U, the so-called chairman of the National League for Democracy, was found to have written to the U.S. president, the U.S. secretary of state, the prime minister of India, the Thai foreign minister, the Japanese foreign minister, the chairman of the Socialist Party of Japan, and the prime minister of Pakistan. In addition, he wrote to Amnesty International in Britain and the International Human Rights Commission in Switzerland. The letters said that the military government in Myanmar is brutally suppressing the democracy-loving forces, and requested that they reject any offer by the Myanmar government to sell goods. U Tin U also wrote that the arrangements being made to send the Myanmar students at the border back to Myanmar should be stopped. He was seen to be making requests causing difficulties for the government. He also did not have any parental concern for the students at the border because he wanted to stop them from returning to their parents. Should we be doing such a thing? I am only saying this to inform the parents.

In a similar vein, Daw Aung San Suu Kyi, general secretary of the National League for Democracy, also wrote to Amnesty International in London, saying that over 600 people, mostly students, were arrested in restaurants and tea shops and sent as porters to frontline camps. She also asked that a speech be delivered at the UN General Assembly on the suppression of the demonstrators, including the children, students, and monks, in Myanmar. [passage omitted]

Since Daw Aung San Suu Kyi is the general secretary of her party and is therefore the spokeswoman, she alone received foreigners and responsible officials of foreign embassies and held talks with them. She never reported on these talks, obtained approval for them, or explained the decisions made and agreements reached during the talks. We understand she did all these things by herself and consulted no one. No one will ever know what she said or discussed with the foreigners and embassy officials. [passage omitted]

I would like to explain to you, journalists, about Bohmu Aung, the chairman of the League for Democracy and Peace [LDP]. In April 1989, Bohmu Aung wrote to the prime minister of India, Rajiv Gandhi, through Dr Mahn Myint Saing, the man who has absconded to the Indian border. The letter requested military assistance to fight the Myanmar government, saying that the LDP had thousands of students and civilians who could come over to the Indian side. Bohmu Aung requested that needy assistance be given to Dr Mahn Myint Saing since the latter is his contact. The reason that Bohmu Aung had written the letter was because Dr Mahn Myint Saing said that there were openings to obtain assistance from the Indian Government and that the assistance might be granted if the LDP writes to the Indian Government. [passage omitted] The letter was signed by Bohmu Aung himself. You, journalists, know the extent of harm that sort of thing can cause the country.

Our SLORC is firmly committed to its four major tasks. The last task—that is, the holding of fair elections—is

proceeding according to schedule, and you, journalists, know about it. The SLORC has been doing everything possible in the time available to help advance the nation while it is in charge of state duties. To associate and work with foreign countries is unavoidable in a developing nation. However, we should not exceed the limit of working with foreign countries; we should not rely on them because the true strength of a nation lies within itself. The fate of our country will be determined by our Myanmar people only because they are the true wielders of power. This is a point that all those who are to lead the country should accept profoundly. [passage omitted]

Third Installment

*BK1209084789 Rangoon Domestic Service in Burmese
1330 GMT 11 Sep 89*

[Excerpts] Brigadier General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC], held a special news conference at 0900 on 9 September with local and foreign journalists at No 2 guesthouse of the Ministry of Defense. In explaining the brief history of the Karen insurgency at a special news conference, Brig Gen Khin Nyunt said the British imperialists had more contacts with Karen nationals after the British annexation of the Rakhine and Tenasserim coastal regions following the first Anglo-Burmese War [from 1824 to 1826]. [passage omitted]

Bo Mya [chairman of the Karen National Union] repeatedly tried to exploit the strength of the internal insurgency to fight against the government. Seven attempts were made between 1956 and 1976 to form various kinds of alliance groups composed of internal insurgency groups, without much success. Only the NDF [National Democratic Front] which was formed on 10 June 1976 still exists today. It is learned that this front is composed of 11 groups and antigovernment organizations located at a border area, and that insurgent organizations held an antimilitary government conference between 14 and 18 November 1988 at Klerdy camp of the KNU, forming the Democratic Alliance composed of 23 groups.

Next, Brig Gen Khin Nyunt explained how the KNU led by Bo Mya solicited external assistance under various pretexts and how foreigners interfered in the affairs of our country. On 4 October 1985 about 150 KNU insurgents attacked Army positions facing Mela camp, which at the time had not yet been captured. Among the bodies left by the KNU insurgents was that of a French national named Jean-Philippe Courreges-Clercq. An Australian national named M. Donnelly was also seriously wounded during that battle. Documents seized during that time are on display on respective boards.

On 10 March 1986, a French national named Oliver Thireau arrived at the Manerplaw KNU camp and began a commando course for 57 trainees on 27 March 1986. Oliver participated in the KNU attack against Point 1039 in Kamaungnge on 15 April 1986. On 29 May 1986 Oliver married Phyu Naing, a daughter of Major (Saw

Pru)—a KNU intelligence agent who was living in Thailand's Mae Sot District at the time.

About 10 European mercenaries—including Belgian, French, and British nationals—arrived in 1985 to train KNU insurgents in demolition and the use of small and heavy weapons. It is learned that these mercenaries are led by (Jimmy Volker), a Belgian national. Two American nationals arrived at Manerplaw on 10 August 1986 and two more arrived on the 19th of that month to give training in military science, intelligence work, and demolition. On 19 November 1986, a 19-member delegation composed of an American doctor and nurses arrived at the KNU (Wawne) camp and provided medical supplies; they left on 24 November. Furthermore, a five-member foreign, medical team, which included Japanese and French doctors, visited the KNU (Wawne) camp and carried out prosthesis and skin grafting treatments. It is a point to ponder as to who financed these people.

An American named Colonel (Blue) visited KNU territory in early October 1988, and on 21 February 1989 he is reported to have held talks with Bran Seng, vice chairman of the DAB [Democratic Alliance of Burma]. Mr Rohrabacher, a Republican member of the U.S. Congress from California, illegally entered Burmese border areas from Thailand during November 1988 and visited insurgent camps at the border. He promised to give assistance to the youths at the border and to apply U.S. pressure on Myanma diplomatically, economically, and politically.

Based on this pledge, a motion was passed in the lower house of the U.S. Congress to extend \$2 million in assistance to youths at the border camps. So far the confirmation has not yet been made on the release of these funds.

Professor Joseph Silverstein from Rutgers University in the United States visited KNU territory on 9 July 1989 and met with Bo Mya. This was not his only trip to KNU territory; he has been visiting the area almost yearly. [passage omitted]

Khin Nyunt said that the Defense Forces have been fighting major battles with the KNU since November 1989. A large amount of KNU weapons and ammunition have been captured during these battles, and explosives, hand grenades, and weapons have been seized from sappers sent out by the KNU. Upon scrutiny, it was found that most of the weapons and ammunition used were made in the United States. Almost all of the recoilless rifles, mortars, grenade launchers, hand grenades, mines, explosives, and explosive slabs were U.S. made. The brigadier general said that he was presenting this information to relate how massive amounts of these weapons and ammunition arrived into KNU hands from Thailand. Lance Eugene Motley, a U.S. citizen, was reported to have died from heavy-weapon wounds at Mae Sot Hospital on 31 May 1989. It was assumed that he received the wounds during the New Wangkha camp

battle. [passage omitted] Khin Nyunt said that he wondered what this foreigner was doing in the battle zone. This information is being presented to journalists to show evidence of contact between the KNU and foreigners. [passage omitted]

Continuing, Brig Gen Khin Nyunt discussed the Alliance for Democratic Solidarity, Union of Burma [ADSB], which is operating at the Thai border and in Bangkok. [passage omitted] This organization was formed with Thanmani Bo Khin Maung as chairman; Zali Maw and U Mahn Thein as vice chairmen; U Aung—son of U Nu, patron of the League for Democracy and Peace [LDP]—as general secretary; and Dr Myint Swe and Myint Aung Soe as joint secretaries. The ADSB was formed by former members of the exiled group [Parliamentary Democracy Party]. Those members living in Thailand organized the youths who arrived at the border area and who operated with some of the political parties inside the country as its backbone. It is noted that exiled U Thwin is not a member of this group. The group has its headquarters in Bangkok and rents a house in Sangkhla Buri which is located across the border from Three Pagodas Pass. [passage omitted]

The objective of the ADSB is to form a student army under its command and to coordinate among contacts inside the country, organizations based abroad, and armed organizations at the border to carry out military and political operations. Its main objective is to use some political parties inside the country as its political backbone.

According to the latest report, the ADSB has sent chemicals and explosives to Yawon and Kawthaung to carry out subversive activities. Small teams disguised as monks, students, and public servants are reported to have entered Yangon and have taken shelter in town to give training in demolition and explosives. Another report says that the ADSB has organized some people [words indistinct] and is giving a military training course in Nyaungbin camp at the Myanma border, 40 km from (Yaidaing) village in Chumphon Province. It is learned that former exile Swe Myint has been assigned to send them to Chumphon. However, the ADSB is reported to be facing financial difficulties and the camp in Chumphon is said to be facing a shortage of supplies. Its group in Three Pagodas Pass is reported to have received loans from Mon insurgents.

Maung Aung, ADSB general secretary, went to Taiwan during March 1989 to seek help from businessmen; from 1 to 15 August he went to Switzerland and the United States. Zaw Tun and Ma Theingi Kyaw, ADSB members who accompanied Maung Aung, are reported to have remained in Switzerland to attend a course conducted by a human rights organization. [passage omitted] Maung Aung is the main, active member, while Vice Chairman Zali Maw and his wife are not involved in the organization on a full-time basis and Thanmani Bo Khin Maung and U Sein Mya [former Cabinet minister] are just front men.

The reason U Sein Mya went underground is as follows: U Sein Mya had organized the formation of primary cells in townships of Rangoon to reinforce the Rangoon University Students Union. While giving advice to the students and organizing them from behind the scenes, he was trying to mold them into a strong force. At the same time, U Sein Mya had contacts with Nyan Win, Soe Win, and Thein Po, alias Ngwe Thein, who were sent to Yangon by Karen insurgents on a demolition mission. A group was formed with U Sein Mya, former Colonel U San Tha, and ex-pilot John Hla Win as members. The group planned to attack and bomb areas in Yangon with a helicopter, carry out demolition activities, and capture and kidnap important persons. While John Hla Win and U San Tha were being interrogated by the National Investigation Bureau, U Sein Mya left his house to evade arrest on 17 January 1989. He arrived at the house of Thanmani Bo Khin Maung in March.

The ADSB has rented two houses in Bangkok—one for Maung Aung and his group and one for Bo Khin Maung. [passage omitted] It has been discovered that this organization has planned to infiltrate youth organizations locally through such persons as Ye Tun [businessman and son of former chief justice in Rangoon] and to incite disturbances inside the country by simultaneously carrying out overt political activities and underground activities. The ADSB is also engaged in demolition work and other subversive activities while trying to boost itself economically by trying to obtain assistance from major foreign countries. Its ultimate aim, the situation permitting, is to obtain power like the BCP [Burma Communist Party] by simultaneously carrying out overt and covert activities. The ADSB, like the BCP, intends to obtain power by any means. It is an organization solely concerned with obtaining power without regard for the prospect that the country may be engulfed in flames and the people may suffer. This group should only work through political means. Despite our repeated pledge to hold general elections and despite their chance to contest in the elections in accordance with the wishes of the general public, the ADSB fled afar. Khin Nyunt said through journalists that he would like to warn these people who want to become leaders through external assistance to be cautious of their affiliations.

Continuing, Brig Gen Khin Nyunt said that he would like to explain the rumors that Myanmar is about to lease a military base to a foreign country. [passage omitted] Under the U.S.-Philippines 1947 agreement on military bases, Clark and Subic military bases were constructed. The lease expires in 1991. [passage omitted] Meanwhile, on 4 August 1989, Singapore offered to accept some of the U.S. military base facilities that are currently in the Philippines. [passage omitted]

Before these developments, there were reports last year that Myanmar planned to lease Coco Island to a major foreign country. Khin Nyunt said that these reports are groundless. He said that Burma is strictly adhering to an independent and active foreign policy and is living in harmony with neighboring countries in the region. In

response to the above-mentioned reports, Brig Gen Khin Nyunt said that under the current administration, no part of the territory of Myanmar will be leased to foreign countries for use as a military base. He said that by historical tradition we have always driven out imperialists. We have never given in. At present, not an inch of Myanmar territory has been leased to anyone. Khin Nyunt said, on behalf of the Defense Forces: We will give our lives to safeguard the union and independence. [passage omitted] He said the Burmese people should understand that foreigners of all kinds are colluding with insurgents in giving military and demolition training and in engaging in subversive activities inside the country.

Meanwhile, foreign newspapers are disseminating worldwide one-sided reports which they received from insurgents. At the same time, the BBC, VOA, and All India Radio, based on fabricated reports by biased journalists, as well as on erroneous news sent from the local people, are broadcasting these reports as if they are really true. Brig Gen Khin Nyunt said that he was explaining this to enable those who desire democracy to clearly understand that it is only the Myanmar people who have the right to determine the future of their own country.

Fourth Installment

BK1309083589 Rangoon Domestic Service in Burmese
1330 GMT 12 Sep 89

[Excerpts] Brigadier General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC], held a special news conference with local and foreign journalists at 0900 on 9 September 1989 at No 2 guesthouse of the Ministry of Defense.

The explanation given by the secretary-1 is given below:

The secretary-1 said he would like to explain about the Defense Forces, which are safeguarding the country from imminent danger while facing onslaughts on all fronts. He said that during the current period of political changes in the country, it is time to objectively view and know about the country's situation in which insurgency; interference from abroad and insurgents, foreign journals and broadcasting stations, and diplomats inside the country; and underground movements are all working to push the country to the brink. However, he said, explanations are being repeated—such as on this occasion—since it has been found that some persons still do not have correct goodwill, thoughts, and outlook.

After political parties were allowed to form legally, the so-called National League for Democracy [NLD] emerged. It was found that, from its inception, that party was made up of three factions—a group led by U Aung Gyi, a so-called intellectual group led by Daw Aung San Suu Kyi, and a Patriotic Old Comrades League, which included U Tin U. Members of the literary and lawyers circles joined Daw Aung San Suu Kyi's group and they are found to be people who believe in and accept leftist thoughts; the majority of them rushed into political life during the course of the disturbances. The so-called

Patriotic Old Comrades group is composed of many former regional commanders who served in the Defense Forces at one time.

Soon after its inception, a group led by U Aung Gyi split from the NLD, and the reason is known to all. It is the issue arising from U Aung Gyi's demand that leftists and pro-BCPs [Burma Communist Party] be removed from the NLD. Another issue within the NLD concerned two youth factions—Thong Yaung Che [Tricolor] Group and NLD Youths.

The Thong Yaung Che Group initially came into being to provide close-up security for Daw Aung San Suu Kyi. [passage omitted] The NLD Youths faction engaged in joint, political activities with the Burma Student Union [BSU] and other student organizations. The NLD Youths and the BSU members went around township offices of the NLD and delivered antigovernment and antimilitary speeches during March 1989. [passage omitted]

Members of the Thong Yaung Che Group recorded, published, and sold unfounded reports broadcast by BBC, VOA, and All India Radio, and antigovernment materials. They used NLD stationery and copying machines for their publications. It was found that the Thong Yaung Che began operating in a UG [abbreviation meaning underground given in English] manner. Inner conflicts began to emerge between the Thong Yaung Che and NLD Youth groups. [passage omitted] There were instances of youths who returned from the insurgents in the jungle taking shelter among these youths. Aside from these problems, there were problems arising from relations between the youths and adults. Following the emergence of these problems, the Thong Yaung Che Group members left Daw Aung San Suu Kyi's compound for good on 1 June 1989. However, six trusted members—who were close to Daw Aung San Suu Kyi—remained in the compound. The remaining 20 members ended up outside and operated in a UG manner.

Other than disunity, differences, and various problems among the NLD youths, there are social problems. As is known to all, Soe Thein, who played a leading role in the NLD Youth, had an affair with a girl while working with her in the party. When the authorities concerned took action for an attempt to abort her pregnancy, Soe Thein absconded. Senior NLD members sheltered, gave encouragement to, and assisted Soe Thein—an absconder. We all know about this matter. That was why, when Soe Thein was tried in court, U Win Tin, party secretary, was also put on trial for sheltering an absconder. U Win Tin was not put on trial for a political offense, but for a criminal offense. The secretary of a political party that has the objective of leading the country one day should not have protected and sheltered an absconder who had committed the criminal offense of abortion. [passage omitted]

We are being criticized for taking this action. The crime occurred by itself. We did not create it. However, we

learned that the chairman, U Tin U, made verbal expressions of his dissatisfaction. On the day the court case of Soe Thein-Ma Thuza opened on 4 (?May) 1989, U Tin U came to court and observed. When bail was denied, he said: What kind of law is that? Bully while you can with your guns. We do not understand why U Tin U would speak with a grudge against our Defense Forces.

He is always finding fault with our work. He blamed us for procuring very little paddy last year, for reopening schools, and for ensuring prevalence of law and order by arresting and taking action against those who incited disturbances. He even ridiculed efforts by the military commander in Mandalay to restore the Mandalay Palace to preserve our ancient heritage. He said [Commander] Tun Kyi of Mandalay Division may hold his coronation by building a palace in Mandalay. What is the meaning of these words? It amounts to encouraging people to further misunderstand the Defense Forces.

U Tin U, as mentioned earlier, was the commander in chief of the Defense Forces at one time. There were workers' crises and the U Thant funeral crisis during his term of office. What kind of orders did he give as a commander in chief in order to control the situation? What kind of action did he have to take according to his responsibility? He should recall these. He should not make reckless accusations against the Defense Forces. Only the person himself knows the motive behind all these statements. It should be accepted by all that he should not be making these statements.

He does not have genuine goodwill toward the country in making these statements. It would be regrettable if they are aimed at instilling hatred in the people for the Defense Forces and disintegrating the Defense Forces. [passage omitted]

U Tin U was allowed to resign as the commander in chief of the Defense Forces and defense minister for personal reasons by the Defense Forces in 1976. He himself knows well the reason behind the Defense Forces giving the permission to resign. Later, he was imprisoned in connection with a plot to assassinate the country's leaders. Against this background, statements made by U Tin U during the disturbances, his collusion with veteran politicians, his resignation and changes in political organizations, participation in demands for an interim government, and statements made after the formation of political parties cast doubt on his sincerity to save the country by participating in political activities. He appears to be engaged in political activities to obtain power.

Not only the chairman of the National League for Democracy, but its general secretary, Daw Aung San Suu Kyi, made very serious accusations. She accused the Defense Forces of acting according to the wishes of U Ne Win instead of standing on the side of the people. She made this statement in Insein on 25 June 1989. During her speech at No 84 Panhlaing Road on 7 July 1989, Daw Aung San Suu Kyi said that members of the

Defense Forces were not taught correct military science for 26 years. [passage omitted]

The Defense Forces are preventing the prospect of the disintegration of the country. It will be wrong to take the slogans shouted by the unscrupulous persons as truth. Khin Nyunt said he would like to know how much she knows in depth about tradition and the ability of the Defense Forces, convictions of the members of the Defense Forces, and training provided by the Defense Forces. What kind of evidence has she to make such accusations? No matter how much she defensively claimed that these statements were not made to create the disintegration of the Defense Forces or create hatred for the Defense Forces, these statements were made with malice and in public.

Some of the journalists in the audience were likely to have attended some of these occasions during which the statements were made. It would be wrong to be impressed with the loud applause every time virulent statements were made against the Defense Forces. Every person understands that the rest of her statements were not in any way constructive for the relationship between the Defense Forces and the people. These condescending statements were aimed at creating misunderstanding between the upper and lower echelons within the Defense Forces and misunderstanding between the people and the Defense Forces.

There are many things to be said about these statements. It was said that some elements within the Defense Forces are obstructing democracy. Some accusations were made without her knowing the right from the wrong, but were made nevertheless after believing what the people around her were saying. She eventually compared the Defense Forces to the fascists. She was not content with only saying these things inside the country, but also sent these statements to the foreign broadcasting stations and embassies. Khin Nyunt said he would like to ask whether she thinks of what would happen to the country if the Defense Forces were to disintegrate.

Other than the problems within the National League for Democracy mentioned above, Daw Aung San Suu Kyi was advocating defiance of authority among the people. Within the party itself Daw Aung San Suu Kyi acted according to her own wishes. On some matters she would first consult with intellectual groups composed mainly of leftists and get their advice before going to the central executive committee [CEC] meetings and then obtaining the agreement of the CEC members. The NLD CEC could only endorse the preconceived ideas [preceding two words in English] of Daw Aung San Suu Kyi, and the old patriots [referring to members of the Patriotic Old Comrades League] could not go against her. [passage omitted]

The NLD, which is loudly advocating democracy and human rights, does not even conduct its own affairs in a democratic manner. So how will it be able to bring democracy to the entire country? It can be seen that the

ideas and whims of only one leader are being implemented without any further thought. The NLD has no democracy. It is operating along the lines of dictatorship [preceding word in English]. Basically, Daw Aung San Suu Kyi is suspicious of veteran politicians and bears a grudge toward them. [passage omitted]

It could be seen that NLD statements and speeches do not appear to recognize the State Law and Order Restoration Council as a legal government. It even criticized neighboring countries that gave recognition and conducted friendly relations—countries such as China, Singapore, Indonesia, Japan, and Australia. There are two major countries that they did not criticize. The NLD is not yet a government in power, and yet it is criticizing the current state government and other foreign countries that have prestige in the world. They have not yet obtained power. Just think what they will do when they obtain power. [passage omitted]

We intervened to minimize the damage to the country while changes to the country's political history are taking place. We are the government that will successfully hold the general elections, which is the most important factor for a multiparty democracy demanded by the people. Khin Nyunt said that the NLD's activities amount to obstruction of holding the multiparty, democratic, general elections that are desired by the people. [passage omitted]

He said he was recounting all these developments because he would like them to know that it is dangerous if political activities are not carried out correctly.

At this point he said he wanted to recount about the writer Maung Thawka, alias ex-Major Ba Thaw. He disclosed that Maung Thawka sent a letter dated 31 August 1988 during the disturbances to Colonel Than Nyunt, commander of the Irrawaddy Naval Camp.

The letter stated that the Army was planning to assassinate Daw Aung San Suu Kyi and that he and others were among the targets. He falsely claimed that a group of persons in the Army who wanted to continue to hold onto power were planning to stage a coup d'etat through force. He urged the Navy to at least firmly practice the policy of noncooperation [preceding three words in English] toward the government, and asked for the position of the Navy and Col Than Nyunt. It was an attempt to divide the Navy from the united Defense Forces. [passage omitted] In a letter dated 9 September 1988, Maung Thawka claimed that he had been assigned by U Tin U and Daw Aung San Suu Kyi to establish contact with the Navy.

They did not think what would happen to the country if the Defense Forces were to disintegrate. The letters were written to win over the Navy to the side of those who desire disturbances. Maung Thawka is a former Navy major. [passage omitted]

He said the extent of danger that could fall on the country if the Defense Forces were to disintegrate should be considered. [passage omitted]

Continuing, SLORC Secretary-1 Brig Gen Khin Nyunt said martial law was imposed selectively as a preemptive measure in some areas. He said he actually did not like to resort to martial law. However, the situation was such that there were onslaughts on all fronts and the country was heading toward the path of destruction. There was no choice but to resort to martial law. [passage omitted] He said although the imposition of martial law and the pledge to hold general elections appear to be contradictory, the political parties need not worry. The elections will definitely be held. Just do not advocate defiance of authority and confrontation.

He said if all parties operate peacefully and follow the middle way, the elections will be held successfully and everyone will be happy. He said he would again like to tell the political parties not to be anxious. [passage omitted]

Continuing, Brig Gen Khin Nyunt said when the State Law and Order Restoration Council assumed the responsibilities of the state, it tried to bring national production and the government administrative machinery to a quick return to normalcy. Organizational work was carried out to enable public servants to see the situation objectively. Relief programs were implemented, and rights that could be given were granted to them. But some public service personnel were blind to our genuine goodwill and could not bear to see the [words indistinct]. Until today, they still do not have a clear understanding. However, they only constitute a minority. These people widely spread rumors and false news at their workplaces and even speak favorably of insurgent organizations. Although the Defense Forces are fighting the insurgents, there were accusations that they oppressed the ethnic minorities. [passage omitted]

Our Defense Forces cannot permit the country to be enslaved again. We shall fulfill the historical duties of our era without any regard for our own lives. None of the Defense Forces leaders have ever taught us to become slaves again. Hence, we shall strive with the three major tasks of the Defense Forces in mind—to keep the Union intact, to strengthen national unity, and to consolidate our sovereignty. [passage omitted]

Public service personnel are required to do their work correctly in the interests of the country and the people, regardless of which party or person is in power. The Defense Forces stay clear from political parties and favor no one. Public service personnel are also required to follow suit. They should not take political matters to the workplaces.

The important thing is to freely vote for the candidates from the parties of their own choice. The most vital thing is for the emergence of a multiparty, democratic system and a government elected by the majority of the people. Hence, it is necessary to become public service personnel

who make positive contributions to the state and uphold the wishes of the people. [passage omitted]

Brig Gen Khin Nyunt said very rapid changes are taking place in our country today, and because of this, an even greater vigilance is needed to observe the events. Changes are rapid because many unseen factors are at work. The time has come for the whole country, including the political parties, to observe the events correctly and with great vigilance.

The brigadier said: In conclusion, through the journalists, I wish to make a profound appeal to all the monks, the lay people, and the students. As publicly promised, our government will strive for the definitive and successful holding of clean and fair, multiparty, democratic, general elections. Everyone has seen or heard about the preparations and work being done in this direction.

The people are asked not to believe or be swayed by the incitement of foreign broadcasting stations like BBC, VOA, and AIR; by documents that suddenly arise from nowhere; by the instigation of unscrupulous people under many different organizations; and by the stirring of unrest and rumormongering by underground communist cells. They must believe in the strength of unity, in accordance with the maxim that our strength lies within our country. You, the people, alone can assure peace, tranquillity, and progress of the future Myanmar, for you are the masters of destiny. It is therefore important not to choose the wrong path. The goal is in sight already, so let us walk hand in hand and in unity toward that goal. [passage omitted]

The multiparty, democratic, general elections are to be held in a matter of months. It is important to ensure that these elections bring about a government that is elected by the people and that will lead the country. In order to realize that objective, let me call on all of you to work hand in hand toward making the elections a success. [passage omitted]

Government Said Marching Dissidents to Death

BK1309015189 Bangkok BANGKOK POST in English 13 Sep 89 p 7

[Text] The Burmese Army has forced as many as 500 political prisoners, most of them students, into "death marches" as military porters in northern Burma jungles, several sources say.

The dissidents were trucked from prisons in Rangoon in early August to the northeastern town of Namtu and were blindfolded during the last stage of the journey, the sources said.

Forced to serve as military porters in the area, "those who stumbled and fell and were unable to march were brutally beaten to death," said a report that the ASSO-CIATED PRESS here had received from the Kachin Independence Organisation, one of a welter of ethnic rebel groups fighting the central government.

Last Friday, a spokesman for Burma's military government, Col Aung Thein, denied the report. But since then, three other independent sources have provided confirmation with varying degrees of detail.

"We understand that political prisoners were conscripted to serve as porters in the north," one Western diplomatic source contacted in Rangoon said. "There they were given virtually nothing to eat, made to walk barefoot, abused and taunted."

The Kachins said the prisoners were bound together by ropes in a chain—hand-to-hand, foot-to-foot—and each was forced to haul heavy loads of rice over some 40 kilometres of rough jungle terrain from Mong Mao-Mong Hnyin to Namtu.

They were stripped of their shoes and articles of clothing, beaten and taunted by the army escorts, who shouted: "This is what democracy is all about," the report added.

Army, Tribes Said Cooperating in Drug Production

BK1309105289 Hong Kong AFP in English 1050 GMT 13 Sep 89

[By Michael Adler]

[Text] Bangkok, Sept 13 (AFP)—Burmese tribes formerly allied with communist insurgents are now dealing in drugs in league with the Burmese Army, Burmese sources have alleged here. The sources, who know the ethnic rebels, said that military authorities have given "permission and encouragement to grow opium" to populations in northeast Burma, part of the golden triangle opium-producing region where the borders of Burma, Laos and Thailand converge. The golden triangle is the source for over half of the heroin, refined from opium, consumed in the United States.

Burmese authorities have in the past denied any involvement in the drug trade and have carried out drug eradication programs in cooperation with the United States. Washington has since suspended its aid to protest a military coup in Burma last September and a harsh crackdown on nationwide, student-led pro-democracy demonstrations.

The sources, interviewed Monday and Tuesday here, said the Kokang, who earlier this year toppled their ethnic Chinese leaders in the Burma Communist Party (BCP), "are going all out to cultivate poppies and produce opium. The Kokang district is already the number one opium growing area in the golden triangle," said the Burmese sources, who asked not to be identified. The sources spoke from a secret location and provided AGENCE FRANCE-PRESSE with a written statement.

Western sources who also declined to be identified said they had evidence to corroborate the charges.

The BCP has fought Rangoon's central government since Burma became independent from Britain in 1948. But the

tribes which made up its army rebelled in March this year and drove their ethnic Chinese leaders back to China.

Bangkok-based diplomats and Burma experts here have been watching to see if the Kokang, who grew opium for the BCP, would join ethnic guerrillas also fighting Rangoon. Senior Rangoon officials have since the BCP split made several trips to northern Burma seeking cooperation with the Kokang and Wa tribes.

The Burmese sources said the Kokang leadership has decided to work with the Burmese military and were forcing villagers to sell them opium at half the local market price. The value of the opium increases many times as it passes from the poppy fields to the Thai border and then as heroin to Bangkok and the streets of Western Europe and the United States.

"The opium that is collected in this way is being refined into heroin and smuggled to outside markets in 50 gallon barrels with the cooperation of the Burma Army and Lo Hsing Han," the Burmese sources said. They identified Lo Hsing Han as a drug kingpin arrested a decade ago by the Burmese authorities but since released.

The sources said the Kokang were refining heroin at Mong Hom, Mong Ko and Pong Hseng, near China's border, and had given a veteran BCP cadre named Ye Hu, who is a Chinese citizen, permission to "refine heroin in their territory and under their protection." Northern Shan State Burma Army Commander Maung Tint visited the Kokang area in June and left with "an unspecified quantity of heroin," they added.

"It has been learned that the Burma Army is encouraging villagers in the Putao area of northern Kichin state to grow opium as well," they said, adding this had also occurred in the northern state of Shan, in the Kachin substate area, near Lashio and Tang-Yan towns and in the Loi Chye area. They said that in another area, Mong Tum, the commander of a Burmese Army regiment, had assigned local militia "the task of refining opium" with the militia setting [up] three facilities between Na Kong Mu and Mong Tum.

Brunei, Malaysia & Singapore

Malaysia

Iranian Foreign Minister Velayati Visits

Bilateral Cooperation Sought

BK1209085089 Kuala Lumpur International Service in English 0800 GMT 12 Sep 89

[Text] Iranian Foreign Minister Mr 'Ali Akbar Velayati arrived in Kuala Lumpur today for an official 2-day visit to Malaysia. The Iranian minister, who is accompanied by 10 officials, was met on arrival at the Kuala Lumpur international airport by Foreign Minister Datuk Abu

Hassan Omar. Also present was Iranian Ambassador to Malaysia Mohammad Reza Morshedzadeh.

During his stay in Malaysia, Dr Velayati will meet Prime Minister Datuk Sri Dr Mahathir Mohamed, [Foreign Minister] Datuk Abu Hassan Omar, and Finance Minister Datuk Paduka Daim Zainuddin. They will discuss bilateral and international issues.

Dr Velayati will also visit the Sultan Salahuddin Mosque and the Proton Saga or national car plant in Shah Alam, Selangor.

Talks With Foreign Minister

*BK1209143289 Kuala Lumpur RTM Television
Network 1 in Malay 1200 GMT 12 Sep 89*

[Text] Malaysia and Iran will make further efforts to upgrade bilateral trade between the two countries. Iran has requested that an Iranian trade delegation be sent to this country to seek trading opportunities. This was stated by Foreign Minister Datuk Hassan Omar after his Iranian counterpart, Dr 'Ali Akbar Velayati, paid a courtesy call on him at Wisma Putera [Foreign Ministry] today.

The Iranian foreign minister was also briefed on Malaysia's free trade system and private sector investments. Datuk Abu Hassan also said Iran is interested in more closely observing ASEAN's concepts and the implementation of its economic cooperation. This is important because the country is currently cooperating economically with several nations; however, the performance is not satisfactory.

Iran-Iraq Peace Discussed

*LD1209193689 Tehran IRNA in English 1735 GMT
12 Sep 89*

[Text] Tehran, Sep. 12. IRNA—Foreign Minister 'Ali Akbar Velayati, currently in Kuala Lumpur on a two-day visit, discussed regional issues, mutual ties and the Iran-Iraq peace talks with his Malaysian counterpart Abu Hassan Omar, Tuesday.

The Malaysian foreign minister voiced his country's support for the implementation of the U.N. Security Council Resolution 598, hoping that the resolution would be enforced as soon as possible.

He also called for exchange of views between the two countries on regional affairs within the framework of the Economic Cooperation Organisation (ECO) and the Association of Southeast Asian Nations (ASEAN).

Velayati, reaffirming Iran's desire for a quick implementation of the resolution, expressed regret that only half of its Article One had been enforced while the other half, the withdrawal of troops to internationally-recognized border had not yet been fulfilled.

Iraq still occupies over 2,000 sq. kms of Iranian territory.

Among other topics brought up by the two were cultural and economic agreements reached by the two countries, mutual athletic cooperation and the joint economic commission.

The Iranian foreign minister arrived here Tuesday morning. He is also to visit Bangladesh.

Mahathir Returns, Comments on Nonaligned Summit

*BK1209140089 Kuala Lumpur RTM Television
Network 1 in Malay 1200 GMT 12 Sep 89*

[Report on news conference with Prime Minister Datuk Sri Dr Mahathir Mohamed by local reporters at the Kuala Lumpur International Airport in Subang —date not given]

[Excerpts] Prime Minister Datuk Sri Dr Mahathir Mohamed said the Nonaligned Movement—NAM—summit in Belgrade, Yugoslavia, has benefited Malaysia. He said that at the summit Malaysia had the opportunity to present its views on numerous issues, including drugs and the environment. Touching on the debt issue, he said Malaysia's view on the issue was aimed at extending assistance to the countries involved so that they will not become bankrupt nations.

[Begin Mahathir recording] We are able to repay [not further identified], even though we requested some concessions. Those other countries will be continuously in debt because they will not be able to settle their debts, and if they cannot make any repayments, it is possible that they will not be given any more loans and will be bankrupt nations forever. This should not happen to any nation. A nation's existence should not be terminated—such as what happens to a human being. A nation should survive, but if that nation survives with debts, then this will present a burden that will definitely deny national independence. That is why we urge rich nations to write off those debts incurred by poor nations. As for us, we will definitely make our repayment. [passage omitted] [end recording]

Prime Minister Datuk Sri Dr Mahathir replied to newsmen's questions regarding the reaction of the superpowers toward NAM:

[Begin Mahathir recording] Their reaction was as expected. They showed no concern and did not make any favorable reports regarding opinions expressed by the NAM leaders. They are more interested in presenting a bad image of certain leaders. [passage omitted] [end recording]

Datuk Sri Dr Mahathir held a news conference at the Kuala Lumpur International Airport in Subang upon his return from the NAM summit. Cabinet ministers were present at the international airport to welcome him.

Trade Minister Views Pacific Cooperation

BK1309045189 Bangkok *THE NATION* in English
13 Sep 89 p 16

[Report on interview with Trade and Industry Minister Datuk Sri Rafidah Aziz by NATION correspondent Peter Maitri Ungphakon—date and place not given]

[Text] For Datuk Sri Rafidah Aziz, the call for the ASEAN secretariat to coordinate the paperwork of proposed Pacific region economic cooperation is not just a means of ensuring ASEAN avoids dilution by a new alliance.

If the developed countries doubt the ability of the tiny Jakarta-based secretariat to handle the affairs of a group encompassing more than half of world trade, they should show their commitment to ASEAN by helping to strengthen the secretariat, says Malaysia's trade and industry minister.

"To me, that's the surest proof of their sincerity," she said in an interview yesterday.

The developed countries concerned are the United States, Japan, Canada, Australia and New Zealand, all intending to join the ASEAN six and South Korea at a ministerial meeting on Pacific region cooperation in Canberra in November.

By helping to strengthen ASEAN's secretariat, the developed countries would also be helping to strengthen ASEAN, Rafidah said.

Rafidah, as did her ASEAN colleagues, stressed the unity of the six in swiftly agreeing on Monday [11 September] morning that the Canberra meeting should be informal consultation rather than an occasion to launch a new organization.

There is little doubt that this and the other decisions reached represent a solid ASEAN consensus.

But differences in nuance there undoubtedly are. And in her interview yesterday, Rafidah revealed that Malaysia's line of thinking differs from Australia's—and perhaps Thailand's—on at least one key issue: whether the members of the proposed group should work together in the Uruguay Round of multilateral trade liberalization talks now entering their fourth and final year under the auspices of the General Agreement on Tariffs and Trade (GATT).

Australia is definitely in favour. Some Thai officials are, but Commerce Minister Subin Pinkhayan said on Monday the Pacific Rim group might not have enough time to develop a negotiating position for the Uruguay Round. Malaysia is not.

"We wouldn't want to see the group negotiate in GATT," Rafidah said. If the group were to do that, it could be construed as a trading bloc, non-members could become suspicious, and the feared protectionism and trade wars could become reality, she implied.

That is why ASEAN wants to avoid creating a new institution. ASEAN does not want the Pacific Rim cooperation group to be "misconstrued" as a protectionist bloc, Rafidah said. All along, she has stressed that the wrong signals should not be sent to the European Community because these could encourage European protectionists to turn EC market integration into a real Fortress Europe.

Nor, she went on, does ASEAN want the Pacific group to be "used" by anyone—a reference to fears that the United States or Japan could use their economic strength to pressure other members of the group to yield on controversial trade practices or policies.

If the group talks about increasing market access for internationally traded goods in general, that is fine. But not if "country A" wants to put pressure on "country B", Rafidah said.

If there is no institution, there is nothing to launch in Canberra, the former economics lecturer said. Cooperation is a "fluid", "dynamic" process that does not need to be launched.

How would the Australians react to the caution and the desire to avoid using the group to negotiate in the Uruguay Round?

"We'll have to see." But ASEAN will be six countries out of the proposed 12 and will have to be heard. "We're united in this."

Asked to comment on the international trade climate that will provide the context for Pacific Rim cooperation, Rafidah was deliberately optimistic, almost out of necessity, as if pessimism would be self-fulfilling.

The Uruguay Round has been through a slack summer recess, but is starting to move again—she will meet [as published] ASEAN's coordinating committee in Geneva in the next few weeks to be briefed on latest developments.

Nevertheless, the lesson of the previous, Tokyo round was that "developing countries were sidelined". The lesson of last year's ministerial mid-term review of the Uruguay Round was that the EC and United States were "hard-headed".

She has been quoted as being unconvinced by European assurances that the single European market will not turn into a protectionist bloc.

"I'm unconvinced, yes. But it doesn't mean we must throw our hands up in despair."

Some European trends are protectionistic, others are not, she said. There are greater opportunities for ASEAN countries arising from the plan to integrate the European markets by the end of 1992.

"It's easy to moan about Fortress Europe." ASEAN has to wait and see what happens with the almost-300 laws in the full single-market programme, Rafidah said.

The same applies to the much criticized US Omnibus Trade Bill and its provisions for unilateral action against countries Washington deems to be engaged in unfair trade practices.

In the region, Malaysia has found that after years of insignificant movement, it is starting to export more to its neighbours countries under the import duty concessions of ASEAN's preferential tariff arrangement.

Rafidah attributed this to the improved concessions being phased in as a result of the third ASEAN Summit in Manila in December 1987, and to a publicity campaign directed at Malaysian companies.

Awareness has been created, she said, just as knowledge of the developed countries' Generalized Systems of Preferences (GSPs) also took time to spread.

The development shows that ASEAN economies can be complementary and can start to supply each other with raw materials, intermediate products and capital goods, Rafidah said.

She put the onus on the private sector. Chambers of commerce should stop meeting and "passing resolutions" and get down to work.

But ASEAN's main markets will remain outside for the foreseeable future.

The Malaysian government is forecasting growth of more than 7 percent this year. Continuation at that rate through 1991 is possible, Rafidah said. But she added she did not want to be too bullish because a decline in commodity prices could weaken the growth of the oil, tin and agricultural produce sectors of the open economy. She was more certain about continued strength of manufactured exports.

Why doesn't Malaysia want to be a NIC (newly industrializing country)?

"I think you know," Rafidah confirmed that her government would prefer not to attract protectionist attention in the developed countries. But she added that the label would in any case be misleading because of the imbalances in the Malaysian economy where there are "pockets of severe poverty".

Opposition Party Rejoins Economic Council

BK1109102289 Hong Kong AFP in English 1011 GMT 11 Sep 89

[Text] Kuala Lumpur, Sept 11 (AFP)—The opposition Democratic Action Party (DAP) announced Monday that it was returning to a council set up by Prime Minister Mahathir Mohamad to hammer out a multi-racial consensus on an economic programme for the 1990's.

DAP head Lim Kit Siang said in a statement that the party had decided to give the 150-member National Economic Consultative Council (NECC) "a last try." The DAP suspended its participation in the council last month after claiming its views were being ignored.

Several of the NECC's ethnic Chinese members have quit the council, among them representatives of Chinese schoolteachers and a Roman Catholic priest representing non-moslem religious groups. Like the DAP, they claim their views have been brushed aside.

Mr Lim said the DAP had decided to return to the council after receiving assurances from its chairman Ghazali Shafie that the party's views would be incorporated in the NECC's various reports.

Dr Mahathir set up the NECC in January amid public debate on whether the government should continue its New Economic Policy, framed after racial riots in 1969.

Non-Malay groups say the 20-year programme favours ethnic Malays at their expense while Malays, who comprise just over half of Malaysia's 17 million people, say they have not yet caught up economically with richer ethnic Chinese.

Dr Mahathir has said he hopes a consensus on economic policy will reduce politicking and bridge racial divisions.

Cambodia

Bou Thang Congratulates SRV Counterpart

BK0809075789 Phnom Penh Domestic Service in Cambodian 0430 GMT 8 Sep 89

[Text] On the 44th anniversary of the SRV's National Day, Comrade General Bou Thang, chief of the General Political Department of the Cambodian People's Army, sent a congratulatory message to Comrade General Nguyen Quyet, chief of the General Political Department of the Vietnamese People's Army [VPA]. Among other things, the message says:

During the past 44 years, under the Communist Party of Vietnam's leadership, the courageous VPA has persistently and determinedly fought against all kinds of enemies and scored brilliant victories, contributing to building and developing its motherland in every field, particularly in party and political matters. We are very happy with the VPA's past successes and consider these our own.

One again, we would like to wish the comrade chief of the General Political Department, and, through him, cadres and combatants of the fraternal VPA good health, energy, and success in every task assigned by the party and government in the new phase.

Offensive in Preparation Against Khmer Rouge

BK1309075889 Hong Kong AFP in English 0733 GMT 13 Sep 89

[By Jean-Claude Chapon]

[Excerpt] Leach, Cambodia, Sept 13 (AFP)—Cambodian Government forces, who will be left to their own devices following the withdrawal of Vietnamese troops later this month, are planning a major offensive in November against a Khmer Rouge mountain stronghold, military authorities have announced.

"We are ready for a large-scale operation to clear the zone around Route 56 of enemy elements implanted there," Lieutenant Sony, a garrison commander said. He commands troops at Leach, a village located some 50 kilometres (30 miles) south of Pursat, the provincial capital lying at the foot of the Cardamomes mountain region. The region is a traditional bastion of Khmer Rouge resistance guerrillas in southwestern Cambodia.

Route 56 is one of the few roads penetrating the mountain region to the west of Phnom Penh. The Khmer Rouge, backed by China, is the main armed opposition force to the Vietnamese-backed Phnom Penh regime, and is seeking to take control of the region when all Vietnamese troops leave the country.

Lt. Sony, aged 30 and on active duty since 1979, is not apprehensive about the withdrawal of Vietnam's remaining 26,000 soldiers which, according to Hanoi and Phnom Penh, will be completed by September 27.

Eight days from the announced start of the troop withdrawal, and nearly 11 years after they overthrew the Pol Pot regime, held responsible for the deaths of hundreds of thousands of Cambodians, the bo doi, or barefoot soldiers from Hanoi, are still fighting. They are engaging the Khmer Rouge's 5th and 36th Divisions in the mountain regions which are under the direct command of former Prime Minister Pol Pot.

Pol Pot's forces, according to Pursat Province officials, have been reinforced recently by troops led by Ta Mok, one of his most loyal followers who until recently was based in the north west. [passage omitted]

Sihanouk Group Vows No Forced Repatriation

BK1309013189 Bangkok BANGKOK POST in English 13 Sep 89 p 6

[Text] The Sihanoukist Cambodian resistance faction yesterday vowed not to force the repatriation of refugees under their care before a peace settlement is reached.

A statement issued to the Press by the faction said the group "solemnly engages itself not to proceed with any forced repatriation of displaced persons living in Site B camp (in Surin)."

The statement outlines the group's conditions for the repatriation of Cambodian refugees living in camps along the Thai border, especially in Site B.

According to the statement, repatriation should only follow a comprehensive solution to the Cambodian problem, comprising:

- controlled withdrawal of all Vietnamese forces by an International Control Mechanism and the United Nations [ICM-UN],
 - formation of a provisional quadripartite government in Cambodia under the leadership of Prince Norodom Sihanouk and
 - a ceasefire controlled by the ICM-UN.
- The statement said that any repatriation should be voluntary.

Son Sann Leaves for UNGA Session, France

BK1309062289 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 13 Aug 89

[Text] His Excellency Son Sann, president of the Khmer People's National Liberation Front [KPNLF] and prime minister of the Cambodian Coalition Government, left Bangkok on Tuesday [12 September] evening for Paris after meeting with Thai Prime Minister Chatchai Chulhawan on the Cambodian problem.

After France, His Excellency Son Sann will leave for the United States to attend the UN General Assembly as representative of the Cambodian Coalition Government. Earlier, His Excellency Son Sann visited various camps along the Cambodian-Thai border and talked to Cambodians loyal to the KPNLF.

Philippines**U.S. Said Urging Aquino To Drop Generics Law**

HK1309095189 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 13 Sep 89

[Text] Senator Orlando Mercado today revealed a document sent by the U.S. Department of State to the Department of Foreign Affairs containing topics for discussion during President Corazon Aquino's November visit to the United States.

In the document intercepted by Senator Mercado, the U.S. Government is putting pressure on President Aquino to declare that her administration is opposed to the implementation of the generics law. The United States also warned that if Aquino refuses to obey, multinational companies would pull their investments out of the Philippines.

One may recall that at the height of the Senate's deliberation on the generics law, which was mainly sponsored by Mercado, these multinational companies had launched propaganda against the proposed law. The generics law aims to eliminate patents on off-medicine [word as heard]

and other essential drugs, thus providing consumers with a free choice of medicine at very cheap prices.

The U.S. State Department document also stated that should President Aquino fail to influence the Congress in withdrawing the law, foreign investors would pull out their investments from the country:

[Begin Mercado recording in English] What greatly alarms this representation is the threat of a wider conspiracy—a conspiracy involving not only local best of interests or their minions, but powerful external forces, whose actions blatantly undermine no less than the sovereignty of our nation itself.

I have here in my possession, Mr President, a confidential document which is part of papers docketed by the United States department to our Department of Foreign Affairs detailing what are to be the talking points of the forthcoming visit of Mrs Corazon Aquino to that country come November this year. [end recording]

In this regard, Senator Mercado recommended cancellation or postponement of the president's visit to the United States out of fear that the president could be greatly influenced by the U.S. Government and change the generics law.

Undersecretary Ingles Urges End to Foreign Bases

HK1309031589 Manila *PHILIPPINE DAILY INQUIRER* in English 13 Sep 89 p 8

[By Jerry Esplanada]

[Text] The Philippines yesterday urged the 102-member nations of the Non-Aligned Movement (NAM) to seriously consider the Soviet Union's proposal for the dismantling of Foreign military bases Worldwide by the year 2000.

The call was made by Foreign Affairs Under-secretary Jose Ingles at the 9th summit meeting of the NAM in Belgrade, Yugoslavia, where he reiterated the Philippines' bid as full-member of the organization.

The Philippines was admitted to NAM in 1979 as observer. However, the country's bid for full membership has apparently failed because of the presence of U.S. bases here.

"We hope that we shall soon be able to join you as full-fledged member," Ingles said. "It is now under active consideration by the Philippine government within the framework of our national security requirements and international commitments."

In another development, the Philippines has rejected a request for full diplomatic relations by North Korea. Ingles said he relayed the government's decision to Pyongyang's Foreign Minister Yong Nam Kim last Sept. 1 during the Foreign Minister meeting in the Belgrade summit.

The government has diplomatic and trade relations with South Korea.

In a press statement, Ingles, who heads the Philippines delegation to the Belgrade conference, described as "interesting" the Soviet proposal on Foreign Military Bases, the withdrawal of foreign troops and the elimination of all nuclear weapons.

Senator on Effects of USSR Nuclear Detection

HK1309101989 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 13 Sep 89

[Text] The U.S. policy to neither deny nor confirm the presence of nuclear weapons on their aircraft or sea vessels will no longer do them any good because of a new USSR invention. This was disclosed today by Senator Leticia Ramos Shahani, who just returned from an official visit to the Soviet Union.

According to Shahani, Soviet scientists have discovered an advanced remote sensing device capable of detecting nuclear warheads. She said Soviet officials told her that the newly invented remote sensing device had already been tried in an experiment in which U.S. experts participated and had proven effective. The experiment was held in 2 August on a (?Soviet Slava cruiser).

Even here in the Philippines, the United States neither confirms nor denies if it stores nuclear weapons in its bases, the Subic Naval Base, and Clark Air Base.

In her meeting with Professor Mikhail Kapitz—a former foreign minister and now a Soviet Union people's deputy and currently the director of the Institute of Oriental Studies for the USSR Academy of Sciences—he assured her that there are no Soviet missiles pointed at the Philippines. He told her that the Soviet missiles could be aimed at any point in the United States and that there would be no reason for striking the U.S. military bases in the Philippines.

Shahani said that Soviet officials believe the relationship between the Philippines and the Soviet Union would further stabilize upon a visit to Moscow by President Corazon Aquino. Aside from President Aquino, other officials lined up for a Soviet visit are Senate President Jovito Salonga and Foreign Affairs Secretary Raul Manglapus.

Vietnam Spratlys Plan Seen as 'Imminent Trouble'

HK1309100189 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 13 Sep 89

[Text] War between Vietnam and China might incite the former to decide to develop the Spratly Islands, which are also being claimed by China and three other countries, including the Philippines. It can be recalled that last year, reports revealed that soldiers from Vietnam and China stationed on the Spratly Islands had had several encounters. Malaysia and Taiwan also lay claim to the islands.

Trouble might flare up in the area because Vietnam is planning to set up a hydrological research station, an aquatic research station, in addition to a fishery prawn complex and a lighthouse. Vietnam's decision to develop the Spratlys, where countries claiming possession of the area have deployed troops, could cause trouble. Vietnam could set up permanent livelihood projects there because it is backed by the Soviet Union. The Philippine Embassy in Hanoi sent a message to the Department of Foreign Affairs saying that Vietnam's decision on the Spratlys is a sign that trouble is imminent there.

Ties With Hun Sen Government Sought

BK1209115589 Phnom Penh SPK in English 0413 GMT 12 Sep 89

[Text] Phnom Penh SPK September 12—"The Philippines will establish ties with the government of Premier Hun Sen though it has to honour the ASEAN's stance which recognizes the government of Democratic Kampuchea," says the Filipino foreign minister, Raul Manglapus, in Manila on September 4.

Foreign Minister Raul Manglapus, after his return to Manila from the second round of the Paris international conference on Cambodia, further said that after the Vietnamese pullout from Cambodia the Hun Sen government will hold power in Cambodia and that is a reality.

To substantiate his view, the Filipino foreign minister said that the fact-finding technical mission had applied to the government of the State of Cambodia for a visa to Cambodia and that with the Hun Sen government's assistance it had accomplished its functions in the country.

2 Top Communist Leaders Arrested in Davao City

HK1309042789 Baguio City Mountain Province Broadcasting Company in English 0330 GMT 13 Sep 89

[Text] Combined PC [Philippine Constabulary] intelligence units and CIS [Criminal Investigation Service] operatives in Davao City nabbed two top members of the CPP-NPA [Communist Party of the Philippines—New People's Army]. Joaquin and Rebecca Atimog were arrested at Barangay Pampanga, 7 kilometers from the city proper.

Ka [comrade] Joaquin is reportedly a secretary of finance of the Davao-based CPP-NPA camp while wife Rebecca is the project officer for special funding projects. Both are now detained in the city's Metrodiscom [metropolitan district command] detention center.

MNLF Rebels Ambush Truck To Disrupt Vote

HK1309030989 Manila PHILIPPINE DAILY GLOBE in English 13 Sep 89 p 6

[Report by staff writer David Jude Sta. Ana and correspondent Pete Tria Jr.]

[Text] The government asked yesterday all Muslim secessionist groups to participate in the November 19 plebiscite on Mindanao autonomy. But even as it did, 30 rebels belonging to the Moro National Liberation Front [MNLF] ambushed a logging truck, resulting in the death of a security guard and the wounding of five others.

Cabinet Secretary Jose de Jesus said the government has launched an information drive in the 13 provinces and nine cities in Mindanao covered by the Organic Act for Autonomy of Muslim Mindanao.

This information program for the organic act, De Jesus explained, is aimed at having the participation of all sectors, "including the MNLF and MILF (Moro Islamic Liberation Front)."

Secessionist groups led by the MNLF have vowed to disrupt the political exercise and reports have it that heavily armed fighters are preparing to launch attacks against the government.

De Jesus said the government plans to use various "official and informal communications channels" to urge the MNLF to desist from carrying out any military action to disrupt the plebiscite. "There will be pulong-pulong (meetings) to be conducted by the Commission on Elections, where they will invite all sectors, including the MNLF," De Jesus said after attending the meeting of the Cabinet Cluster on Political and Security Matters in Malacanang.

In Basilan Province, meanwhile, the military reported that the ambushed truck belonging to Heindrich Timber Co. based in Sumisip town was ferrying 13 security guards to Sampinit reportedly on a clearing mission prompted by an ambush threat received earlier by the company.

Lt. Col. Hasiraji Hamsirani, PC [Philippine Constabulary] provincial commander of Basilan, reported that the exchange of heavy fire between the company guards and the rebels lasted for almost an hour.

He said the rebels withdrew when reinforcements from a 60-man security force of the company reached the ambush site.

Church Group Urges Dialogue To End Insurgency

HK1209044589 Manila PHILIPPINE DAILY
GLOBE in English 12 Sep 89 p 9

[Report by staff writer Divina Paredes-Japa]

[Text] Fifty-seven members of the United Church of Christ in the Philippines (UCCP) died between June 1988 and August 1989—"victims of war" in the countryside.

Thirty-seven of the victims were killed by New People's Army [NPA] members in the Digos massacre last June while the rest were believed to have been killed by soldiers, paramilitary groups or religious fanatics.

All of the victims were civilians. Three of them were UCCP pastors.

"These are the innocent victims of this uncalled-for total war," said UCCP Human Rights Desk coordinator Sammy Briones, who reiterated his church's call for a new round of peace talks between the government and the communist rebels.

"The only means to minimize if not eradicate this violence is through dialogue. I strongly believe in dialogue. There should be no preconditions," said Briones, whose office had sent fact-finding missions to investigate the killings.

The deaths were recorded between June 24, 1988, to August 17, 1989. All the them occurred in the Visayas and Mindanao.

Briones said the UCCP has already collected some P100,000 for the "war victims fund" set up after the massacre of 37 UCCP members by NPA rebels on June 25 in Digos, Davao del Sur.

Briones said the UCCP aims to collect P1 million for the "war victims fund", which will go mainly to scholarships for the families of the victims and capital for small-scale businesses.

Briones said the funds will also be given to non-UCCP members. He said his office plans to write the UCCP member churches to schedule a Sunday offering for the "war victims funds."

He said the persons on the list have already received assistance outside of the funds already collected, which remain untouched.

The first documented case on the list was the murder of lawyer Alfonso Surigao, a member of the UCCP national executive committee, in June last year.

The last case was the murder of a family of four and one of their neighbors allegedly by members of the Ituman tribe.

Thailand

Monks Ask U.S. To Reject Cigarette Petition

BK1309030989 Bangkok THE NATION in English
13 Sep 89 p 2

[Text] The intensified campaign against American cigarettes got another boost yesterday when senior monks nationwide asked the US Trade Representative [USTR] in an open letter to reject a petition by US cigarette exporters that seeks to force Thailand to open its market to their products.

The letter, signed by 160 provincial monastic chiefs from all 72 provinces, asks the USTR to bar cigarettes from protection under the US trade law. "We ask you to reject the petition by the exporters' association and take the popular initiative," the letter reads.

The monks gathered at the Mahidon University campus in Nakhon Pathom yesterday for an anti-smoking seminar, held one week before a USTR public hearing in Washington D.C. on the cigarette exporters' petition.

"We, the Lord Abbots from 72 provinces in Thailand, have been vigorously campaigning against smoking because of its indisputable damage to health. Any further availability or promotion of cigarettes, particularly high-status foreign cigarettes, can only work against our efforts to inform Thai people of the hazard," says the letter, which was written in English.

It goes on to say that past anti-smoking successes "would be reversed by the introduction of foreign cigarettes and the accompanying high-gloss, hard-sell marketing techniques."

"Your own government and non-government health organizations have been successful in reducing the smoking rate among Americans, from 40 percent in 1965 to 29 percent in 1987. We are attempting to do the same, often with cooperation of your anti-smoking groups. This recent threat would be a significant setback for everyone."

One of the monastic chiefs, Phra Ratkhunaphon from Nakhon Pathom, told reporters the Thai government should not import American cigarettes for the added tax revenue it would gain.

"The tax income does not compare with the large amount of money the government would have to spend on treatment of people suffering from smoking-related diseases," he said.

The monk, however, admitted that a weak point of Thailand in countering the US pressure is that a lot of Thai people still smoke.

U.S. President's 'War' on Drugs Viewed*BK1209134389 Bangkok THAI RAT in Thai
10 Sep 89 p 2*

["7 Days Around the World" column by Jupiter (pseudonym): "Big War for Bush"]

[Excerpt] "Illicit drugs are like a sand pit which is sucking down almost the entire U.S. society, and we must solve this problem." That was part of U.S. President George Bush's televised address to the American people last week in which he pointed out the threatening danger of drugs flowing into U.S. society.

Heroin, cocaine, marijuana, amphetamines, and all other kinds of drugs in the world have found their way into the United States and can be found everywhere. They have formidably undermined human resources, especially among working-age young people.

Because of this, President George Bush has decided to "declare war" on drugs and to take drastic suppression measures. He realized that the declaration of war and the amount of manpower and financial resources available cannot cope with the strength of the drugs' army, the messenger of death. The head of the U.S. Government therefore requested the allocation of \$7.8 billion, or about 200 billion baht, from Congress for the program. The funds sought are part of the 1990 fiscal budget. It is up to the U.S. Congress to approve or disapprove the request.

What is certain is that the plan has drawn widespread criticism. People wonder whether Bush will be able to win the drug war with his plan. Some executives believe that the huge budget of nearly \$8.0 billion for the program will be wasted, similar to what happened when previous U.S. Administrations faced the war on drugs. [passage omitted]

Column on Indochinese Antagonism Toward Thailand*BK0709011889 Bangkok SIAM RAT in Thai
5 Sep 89 p 12*

["Report" column by Bawon Phatthanasi: "Does the Policy of Peaceful Coexistence Still Exist?"]

[Text] The newspaper THE NATION on 30 August carried a report about Nguyen Van Linh, general secretary of the Communist Party of Vietnam. This post is considered the most powerful in Vietnam's communist system, and although Nguyen Van Linh does not hold a government position, he is regarded as the most powerful man in the country. The news report referred to his address to a meeting of the Communist Party of Vietnam Central Committee held from 15 to 24 August. Nguyen Van Linh made serious accusations against the West, including the United States, and also indirectly implicated Thailand, although he did not mention it by name.

He said that reforms in some socialist countries were facing difficulties because imperialist and reactionary

forces are colluding to undermine the gains of the socialist revolution. Vietnam was also affected by this international situation.

Nguyen Van Linh called on the Communist Party of Vietnam Central Committee to help prevent the spread of bourgeois liberalization, pluralism, political plurality, and multiple opposition parties which were, he charged, aimed at denying Marxism-Leninism, socialism, and the party's leadership.

Nguyen Van Linh criticized some party members who praise imperialism, saying they misunderstand the nature of imperialism, believing it now no longer poses a danger to communism. He accused them of irresponsible, disorganized, and undisciplined acts and of inciting a number of people to disturb public order and security and engage in factional activities.

Speaking of the United States, Nguyen Van Linh said that it was continuing its Star Wars space defense program and was tightening the military chain around the socialist countries, noting the plan to establish a weapons store in Thailand and to build new military bases in Singapore. He said that Vietnam must frustrate the imperialist forces' schemes "aimed at causing our nation and other socialist countries to break away from the socialist path." Please understand these words clearly.

Nguyen Van Linh stressed: "The Communist Party of Vietnam should not nurture the illusion that the imperialists are willing to achieve peaceful coexistence with us. We cannot fail to develop democracy in economics, politics, culture, arts and letters and so forth; but we must firmly grasp the fact that ours is a socialist democracy—that is, democracy with leadership."

The news report ends here. Some of you who are not conversant with socialist political terms may not fully understand what it all means, so I would like to summarize once again what Nguyen Van Linh, the most powerful man in Vietnam, was saying. He stated that the West, including Thailand, is trying to undermine socialism. He does not believe that socialism and liberalism can coexist peacefully. Although some party members believe that the liberals have changed a lot and can be associated with, Nguyen Van Linh came out strongly to disabuse them of that belief.

His claim that the West is undermining his country is similar to the charge made in an article broadcast by Vientiane radio on 2 July, the day on which Nguyen Van Linh returned from a visit to Laos, that Thailand is undermining Laos by using economic methods after its previous use of military means was shown to have failed.

Dr Suwit Yotmani, spokesman for the Prime Minister's Office, immediately countered the Lao accusation and suggested that Laos probably got these words from Vietnam. At first I did not believe this line of thought because there was no evidence to prove it. However, the news report in the 30 August edition of THE NATION, which I have cited above, provides clear evidence that

Vietnam really believes this theory to be true, and so it is very likely that Laos did in fact get the idea from Vietnam.

Such clear remarks by Vietnam's leader, or actually the leader of the three Indochinese countries, should serve as an excellent reminder to the Thai people of just how much Vietnam, Laos, and Cambodia dislike us.

Therefore, when lower - level leaders such as Nguyen Co Thach of Vietnam, General Sisavat Keobounphan of Laos, or Hun Sen of Cambodia, come to express their good wishes to the Thai leaders, we should not give too much credence to what they say because their real boss has clearly stated that they despise us and cannot coexist with us in peace.

Government To Buy Crude Oil From Vietnam

*BK0509110689 Bangkok MATICHON in Thai
5 Sep 89 p 5*

[Text] Triwit Phumphueng, managing director of the Thanini Trading Company, said that his company has been selected by the Thai Government to act as a broker in purchasing crude oil from Vietnam. The company is waiting for the results of the test of the crude oil sample which is being conducted by the Petroleum Authority of Thailand's refinery. A Vietnamese minister had visited the Ao Udom Refinery of the Petroleum Authority of Thailand and he was satisfied with it.

Triwit said that the crude oil purchase will be conducted on a government-to-government basis. In the initial stage, his company will buy crude oil from Vietnam and then sell it to the Petroleum Authority of Thailand. His company will not benefit from the deal, but will act only as a coordinator. This crude oil deal will be at a friendship price. Vietnam decided to sell its crude oil to Thailand because it does not have any refinery and Thailand also can solve its oil shortage problem.

SRV Said To Falsify Cambodian Troop Strength

*BK1309012589 Bangkok BANGKOK POST in English
13 Sep 89 p 6*

[Text] Supreme Command spokesman Lieutenant-General Narudon Detpradiyut said yesterday that he believes there are between 80,000-100,000 Vietnamese troops in Cambodia, not only 26,000 troops as claimed by Hanoi.

He said further that previous Vietnamese troop withdrawals were not actually carried out. "Only words, but no actions," he said.

He went on to say that while Hanoi talked about troop pullouts, there has been no mention about the removal of armaments from Cambodia. "This shows that reinforcements and military support for the Heng Samrin regime continues," he pointed out.

The spokesman said that the Cambodian problem could be resolved if all protagonists of the warring factions stop aiding them "because the Cambodians cannot manufacture arms themselves."

According to Vietnam's latest announcement, its last troops will leave Cambodia by September 27.

Chatchai Comments on Cambodian Cease-Fire Plan

*BK1309012789 Bangkok THE NATION in English
13 Sep 89 p 2*

[Excerpt] Prime Minister Chatchai Chunhawan said Thailand will suffer from spillovers of fighting along the border if there is no ceasefire among the warring Cambodian factions.

"Without a ceasefire, we will get stray bullets," Chatchai said to reporters after discussions on Monday [11 September] with the leaders of the two noncommunist resistance factions, Prince Norodom Ranariddh and Son Sann.

The premier said that even after he finishes talks with leaders of the four Cambodian factions, he will continue to call for a ceasefire to prevent further bloodshed. He added that the discussions have given him the opportunity to assess how much common ground the factions have among them.

Chatchai also said that he thinks renewed fighting between the rival factions is unlikely, because "all sides are talking about peace and the economy".

Premier Hun Sen will visit Thailand before September 23, when Chatchai is scheduled to leave for a European trip, the prime minister said.

"I am not going to settle the Cambodian problem. I just want to look into the reasons behind the failure of the Paris peace conference," he said.

Suwit Yotmani, the government's spokesman, said yesterday that Chatchai told the Cabinet at their meeting yesterday that the discussions were only aimed at gathering information about the factions' positions.

"The premier also wants first-hand information to respond to queries about Cambodia during his European trip," the spokesman said.

Meanwhile, Gen Sunthon Khongsomphong, Army chief-of-staff said that the meeting between Chatchai and the Cambodian factions will benefit Thailand. "The Cambodian conflict has been dragging on for too long. It is about time it was settled," he said.

Sunthon said the army holds that there must be an immediate ceasefire to prevent any future casualties along the Thai-Cambodian border. [passage omitted]

Chatchai Reports on Meeting With Cambodian Heads

BK1209123389 Bangkok Domestic Service in Thai
1200 GMT 12 Sep 89

[Text] At today's cabinet session, Prime Minister General Chatchai Chunhawan reported on his meetings with leaders of the four Cambodian factions. He said that Thailand has to contact all Cambodian factions in order to learn what each of them wants and does not want. Thailand is a friend to all of them and it wants to see a ceasefire in Cambodia.

The prime minister told the cabinet that he met Prince Ranariddh yesterday [11 September] morning, and in the evening he met Son Sann. The prime minister will meet Khieu Samphan this evening and Hun Sen within the next few days.

The prime minister said that as he is leaving, with a delegation, to visit Europe later this month, he believed that the leaders in those countries would ask him questions about Cambodia. He therefore wished to have sufficient information to report to them.

According to our reporter, the prime minister met Khieu Samphan, leader of the Khmer Rouge, at Ban Phitsanulok [Government Guest House] at 1730 today. At 1800, the prime minister arrived at Ban Phitsanulok [sentence as heard]. Our reporter said that the prime minister's policy advisers were also present at the meeting with Khieu Samphan.

Cease-Fire Not Accepted; Sihanouk Talks Planned

BK1309004589 Bangkok BANGKOK POST in English
13 Sep 89 pp 1, 3

[Text] The Government has decided to despatch an unofficial delegation to Beijing to hold talks with Khmer resistance leader Prince Norodom Sihanouk in what is seen as a race against time to avert possible bloodshed in Cambodia following the Vietnamese troop withdrawal on September 27.

The delegation is to comprise Army representatives handpicked by acting Supreme Commander General Chawalit Yongchaiyut and members of the Prime Minister's policy advisers, a source close to the Premier told the BANGKOK POST last night.

The delegation, which is to leave for Beijing "as soon as possible", is expected to convince Prince Sihanouk to support a continuing ceasefire in Cambodia.

This latest initiative by Prime Minister Chatchai Chunhawan came after three non-communist factions showed a lukewarm response to the Prime Minister's renewed proposal for an early ceasefire in Cambodia.

The delegation, the source said, will come back to Bangkok and report to the Premier before he leaves on September 24 for a two-week official trip to Norway, Sweden, Switzerland and France.

Gen Chawalit is also likely to meet high-ranking Phnom Penh representatives in Vientiane during his visit to Laos on September 26.

Meanwhile, Prince Norodom Ranariddh of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] said yesterday in a document distributed to the Press that his group did not oppose the ceasefire idea "but that ceasefire must be concluded in the framework of a comprehensive solution, meaning that the ceasefire must be in effect after the sending and the dispersion of an ICM-UN [International Control Mechanism-United Nations] and the formation of a Cambodian quadripartite provisional government."

The Prince said he believed the "war of liberation" would continue in Cambodia "because we do not believe the Vietnamese forces will totally be withdrawn from Cambodia without an effective control of the United Nations."

Khmer Rouge leader Khieu Samphan yesterday also held out against a ceasefire until two key issues—United Nations auspices for controlling and supervising the Vietnamese withdrawal and the setting up of a quadripartite provisional government—are solved.

He also rejected the idea of having a fact-finding mission monitor the withdrawal of Vietnamese troops, saying this would serve to "rubber-stamp", rather than effectively verify the move.

The Khmer Rouge leader also opposed a new meeting of the four Khmer factions, maintaining that Vietnam, the five permanent members of the UN Security Council and "the concerned countries" should attend any future gathering aimed at solving the Cambodian problem.

The Khmer Rouge leader underlined his position in a document he distributed at the end of a two-hour meeting with General Chatchai.

The document contained views prepared for the meeting in reply to a number of questions posed when invitations went out last week for Cambodian resistance leaders to meet Gen Chatchai, a source close to the Khmer Rouge leadership said.

The Khmer Rouge leader pointed out that "such a Vietnamese proposal" as the fact-finding mission had been rejected by the majority of participants at the recently-ended Paris conference "because they have seen through the Vietnamese manoeuvre and they did not want to rubber-stamp the fake Vietnamese withdrawal."

"Effective verification and control," he emphasised, required a UN International Control Mechanism assisted by a quadripartite provisional government.

A nationalist source said his group also spelled out its opposition to the Vietnamese proposal in discussions on Monday [11 September].

The Paris conference adjourned on August 30 amid an impasse on the control mechanism and an interim authority following the Vietnamese withdrawal.

The resistance leader noted that the Cambodian resistance "fully shared" the view of Democratic Kampuchea President Prince Norodom Sihanouk "that there should not be a new meeting of the four Kampuchean parties."

The Cambodian resistance has insisted that the Cambodian problem is caused by Vietnamese "aggression."

The Khmer Rouge leader called for a political solution providing for UN verification and control for the Vietnamese withdrawal and a provisional government where the four parties are "on equal footing."

He urged continued international pressure on Vietnam, saying "it is our considered view that only with the continued pressure from the international community on Vietnam can a political solution be reached as soon as possible."

Army Commander-in-Chief Gen Chawalit Yongchaiyut and chairman of the Prime Minister's Advisory Council Phansak Winyarat attended the meeting.

Mr Khieu Samphan distributed his prepared "views" to a large number of reporters waiting in the rain at the end of the meeting.

Defense College Director Reports on Burmese Trip

BK1209061389 Bangkok *THE NATION* in English
12 Sep 89 p 4

[Excerpt] Burma attached a great deal of importance to the recent visit to Rangoon by a group of Thai top executives and permanent officials who went there as students to attend a special class of the National Defence College, the college director said yesterday.

Lieutenant General Thamniap Thapmani said the Burmese were happy to welcome the Thai delegation on its observation tour September 7-9.

"The Burmese were very enthusiastic when they learned that the Thai delegation included many leading businessmen and bankers," he said.

The director said the Burmese arranged for high-ranking trade officials to brief the Thai delegates, reflecting the importance they attach to economic cooperation with Thailand.

"The Burmese leaders repeatedly stressed that the two countries share a similar national culture and should strengthen their relations," he said. [passage omitted]

Army Vows To Crack Down on Communist Guerrillas

BK1309025989 Bangkok *THE NATION* in English
13 Sep 89 pp 1, 2

[Text] The Fourth Army Region vowed yesterday to crack down on Communist Party of Malaya [CPM] guerrillas and their accomplices who have destroyed forests in southern Thailand despite peace negotiations between the insurgents and Thai authorities.

Fourth Army Region Commander Lt Gen Wisit Atkhumwong said security forces would search every forest area reported to have been encroached upon and "drive away any group of insurgents" occupying the land.

Wisit is the first senior army official to confirm *THE NATION*'s reports about large-scale forest destruction by the CPM guerrillas who reportedly want to create rubber plantations after they are given amnesty by the Thai government.

Wisit, however, denied allegations that the army had given the greenlight to the CPM insurgents to cut down trees to pave the way for rubber plantations which would serve as a post-amnesty economic base for the guerrillas.

"(The accusations) are not true. We will get tough with whoever destroys our forests," the commander said.

The pledge came one week after a combined forest patrol force clashed with a group of CPM guerrillas in a denuded forest area in Betong district of Yala on September 5. One CPM guerrilla died in the first reported fighting between security forces and the CPM since the military campaign against the outlawed movement was halted several months ago to facilitate peace talks.

Wisit said the Civilian-Police-Military Force 43, which oversees the security situation in southernmost provinces, had been instructed to lead the campaign against illegal logging by the CPM.

The commander denied reports that negotiations with the CPM had been concluded with all 1,200 remaining guerrillas agreeing to end their armed struggle against the Malaysian government and surrender to Thai authorities.

Sources claimed problems within the army blocked about 600 CPM members from surrendering about two months ago.

Wisit said the peace talks had been hindered by disagreement over two conditions. He refused to elaborate but hinted that some of the CPM wanted to maintain some of their combat units after the surrender.

"It is necessary for all armed units to surrender," he said.

Wisit said Malaysia had agreed in principle with the idea to allow some CPM guerrillas to return home.

Most remaining guerrillas reportedly want to remain in their areas in Yala and Narathiwat provinces after laying

down arms. There have been reports, however, that some CPM insurgents want to go back to Malaysia and assume legitimate political roles.

All remaining CPM guerrillas belong to the pro-China faction of the outlawed movement which was driven across the Malaysian border into Thai jungles half a century ago following a joint Malay-British military campaign. About 700 CPM members of the now-defunct pro-Soviet faction defected to the Thai government and were resettled in Yala in 1987. None of those who surrendered was known to have returned to Malaysia.

—The Thai-Malaysian Regional Border Committee (RBC) yesterday called for the "acceleration" of economic cooperation between Thailand and Malaysia, especially at border levels, saying the security situation at the common border had significantly improved.

"With the peaceful situation now created, the time has come for economic development to be accelerated for the benefit of the people of both nations," the RBC said in a statement issued after its latest meeting ended in this southern Thai district yesterday.

The RBC praised the two countries' military cooperation, which it said had nearly erased "the common enemy" at the border.

The statement said RBC members participating in the two-day meeting "noted with satisfaction the greatly improved security situation" along the common border.

Red Cross Expands Help to Displaced Khmers

*BK0909022489 Bangkok THE NATION in English
9 Sep 89 p 1*

[Report by Atthawibun Sisuworanan]

[Text] Aranyaprathet—The International Committee of the Red Cross (ICRC) is expanding its tracing service to help displaced Cambodians contact their families in Cambodia to help facilitate the eventual mass repatriation of the 300,000 displaced people in border camps.

Beat Schweizer, head of the ICRC's sub-delegation in this border town, told THE NATION yesterday that the tracing service at the ICRC office in Phnom Penh is currently able to locate displaced Cambodians families and relatives in any province of the war-torn country.

Since the tracing service began in January, about 250 Cambodians in resistance-controlled camps have applied for the service, and 48 of those have received letters back from their families, Schweizer said.

The ICRC official, who is responsible for the relief organization's operations along the Thai-Cambodian border, pointed out that the tracing programme is vital to repatriation efforts, as the situation inside Cambodia has radically changed since many people left their homes.

"They may find when they return home that their families and relatives have moved, their land has been occupied or their villages have even ceased to exist," he said.

The programme is the first time in 10 years the refugees have had a chance to contact their families, Schweizer said.

"It's certain that the number of those inside Thailand applying for the service will rapidly increase."

He said that the ICRC office in Phnom Penh is now training its local staff to extend the tracing service to the district and sub-district levels.

The ICRC has operated a tracing service inside resistance-controlled refugee camps since 1982, but previously it was only aimed at tracing relatives between camps.

The ICRC, which is likely to take the most prominent role in the eventual mass repatriation, is making preparations as the present situation in Cambodia is likely to change soon.

The United Nations High Commissioner for Refugees [UNHCR], the United Nations Border Relief Organization, the ICRC and other relief agencies have recently been working together on a comprehensive plan to repatriate the Cambodians.

"But at this point we (relief agencies) hold that mass repatriation will only come when there is a political solution," Schweizer reiterated.

He denied any link between the ICRC's tracing programme and a UNHCR-run voluntary repatriation programme, which is presently trying to help a family from a resistance-controlled camp return to Cambodia.

Youth Training in Cambodian Refugee Camps Begins

*BK1009010289 Bangkok BANGKOK POST in English
10 Sep 89 p 1*

[Report by Suphapon Kanwirayothin in Site B, Surin]

[Text] Some 600 Cambodian teenagers and young men from this Sihanoukist camp started a 35-day training programme on August 22, prompting speculation they are being recruited for an upcoming dry season military offensive.

Camp administrators and relief officials maintain, however, that the boys—aged about 18 and students at the camp's secondary school—are away on a "boy scout camping trip."

The boys, part of the 1,200 secondary school students at this sprawling camp of 63,000 Cambodians, will return to school as soon as they end their training, said Deputy Site B administrator Kun Kim Teng.

In charge of the training are over 50 "teachers," some of them Thai technicians to train the boys in "agriculture," the administrator said.

He said the training site is an ANS [Sihanoukist National Army] base in Nang Rong District of Buriram Province.

Relief officials said, however, the students were taken to a non-combat zone in Cambodia.

Officials of the Displaced Persons Protection Unit here said they had no information on the programme, the first organised departure of youngsters from the camp for this kind of training.

"This is no such thing as a mobilisation of forces. The boys will definitely come back to school as soon as their vacation ends," the administrator said.

Mr Teng said it's vacation time for the boys, but classes as usual for the 10,000 pupils at 15 primary schools in the camp.

The training, which was drawn up by high-ranking staff and approved by Thai authorities, took two months to set up.

Mr Teng said the course is not military but deals with repatriation.

"We concentrate on political indoctrination, nationalism and patriotism as well as the history of Cambodia," he said.

Like the boy scouts, the students will also be introduced to "some basic military skills."

"We train them to be nationalistic, not to join the military," he said.

'Pro-Communist' Feature Banned on Thai Army TV

*BK1109083889 Bangkok MATICHON in Thai
11 Sep 89 p 16*

[Text] A source at the Broadcasting Directing Board Division [BDBD] told MATICHON that the BDBD has decided not to allow the E.M. News Company to present a feature program called "Hotline" on Army TV Channel 5. The BDBD said the ban is because the program recalls the brutality of war, condemns the United States for conducting brutal actions, and supports the ideology of North Vietnam. It presents a biased view of incidents and could possibly have a negative psychological effect as a result of the propaganda line that runs throughout the feature. This kind of program, which would be beneficial for the communists, should not be allowed. Apart from that, the program also supports the domestic policy of Vietnam, and that is not the business of the Thai media.

For this reason, the BDBD has decided that the particular program should not air. The BDBD order was signed by Film Censorship Subcommittee Chairman Rear Admiral Suraphon Wanathat.

The E.M. News Company can still submit an appeal through TV Channel 5 to the high-level committee of the BDBD for reconsideration within 15 days.

"The BDBD does not allow a total of four sections totaling 2 hours. A representative of the TV Channel 5 also participated in the censorship. In order to make the issue fair for them, they can still make an appeal through TV Channel 5. We will receive the appeal from the TV station ourselves," said the source.

Government Agrees to Military Modernization Plan

*BK1109011589 Bangkok BANGKOK POST in English
11 Sep 89 p 1*

[Text] The Government has agreed to a military 100,000-million-baht weapons modernisation programme for the next decade, including purchases of heavy weaponry and electronic warfare equipment.

A top official of the Defence Ministry said late last week that Prime Minister Chatchai Chunhawan wanted to strengthen the armed forces' war reserves to keep pace with the country's expanding economy.

The Government believes it necessary that the armed forces acquire modern weapons and equipment to ensure political and economic stability, the official said.

Gen [General] Chatchai recently accepted the Supreme Command's war reserves programme, he said.

But although the Government wants the programme implemented quickly, budget limitations will force it to be spread out over the next ten years, he said.

The armed forces, including the Supreme Command, will receive a budget of just under 10,000 million baht for the 1989-90 fiscal year, he said.

The Royal Thai Army will buy electronic warfare equipment, including 25 Bell 212 helicopters worth about 3,000 million baht, and also more howitzers, troop carriers and communications gear, he said.

The Royal Thai Navy will be allocated a budget to buy two frigates worth about 8,200 million from China, in addition to the four it has already bought from that country.

The Navy will also acquire coast-to-sea missiles and medium-sized patrol boats, as part of its Eastern Sea-board defence programme, the official said.

With the recent purchase from the United States of 18 F-16 fighter-bombers worth about 10,000 million baht, the Royal Thai Air Force is expected to face a tight budget next year, he said.

Among the equipment the Air Force will buy next fiscal year are three Lockheed C-130 aircraft worth about 1,800 million baht and ADAT surface-to-air missiles worth about 2,200 million baht from Switzerland, he said.

Gen Chatchai has told the Armed Forces to draw up a list to beef up their war reserves, noting that the Government will soon be looking into larger allocations for purchases to replace obsolete equipment, the official said.

Military Official Denies Piracy in Thai Waters

*BK0209081589 Bangkok Voice of Free Asia in English
1500 GMT 1 Sep 89*

[Text] A senior military official denied yesterday that pirates were preying on Vietnamese boat people in the Gulf of Thailand, saying that most attacks on refugees take place outside Thai waters. Lieutenant General Narudon Detpradiyut, spokesman for the Supreme Command, was responding to the report on Tuesday that about 150 refugees were massacred by Thai pirates in the Gulf of Thailand in an attack in June. There is no pirate in Thai waters, he said.

Narudon said most of the reports about piracy in the region have badly damaged Thailand's image. The spokesman said Vietnamese who survived pirate attack tend to exaggerate their ordeals in order to gain sympathy. The National Security Council is currently drafting an anti-piracy bill that would impose the maximum sentences of death or life in prison for anyone found guilty of acts of piracy involving manslaughter.

86 Lao Refugees Repatriated Under Voluntary Plan

*BK0609025189 Bangkok BANGKOK POST in English
6 Sep 89 p 3*

[Text] Nong Khai—A total of 86 Laotian refugees were handed over to Vientiane municipal authorities yesterday under the voluntary repatriation programme.

The 86 refugees, 35 men and 51 women, were from 25 families.

Of the total, 13 were from the refugee holding centre in Phayao's Chiang Kham District, 56 from Napho and Nong Saeng camps in Nakhon Phanom, five from Ban Winai Camp in Loei's Pak Chom District and 12 from Phanat Nikhom Camp in Chon Buri.

The refugees were taken across the Mekong River from Nong Khai and handed over to Sisomphon Keovavong, deputy chief of the Office of Public Health and Social Welfare of the Vientiane Municipality, by Rian Suknok, a senior official of the Nong Khai provincial office.

The ceremony was witnessed by officials of the United Nations High Commissioner for Refugees.

83 More Return to Laos

*BK0809022989 Bangkok BANGKOK POST in English
8 Sep 89 p 8*

[Text] A group of 83 Lao refugees have returned to Laos voluntarily from refugee camps in Thailand, bringing to nearly 900 the number of Laotians repatriated this year, a UN official said on Wednesday.

The group included 65 lowland Lao refugees and 18 hilltribe people who had volunteered to return from UN-aided camps in Thailand, the United Nations High Commission for Refugees (UNHCR) official told AFP.

They crossed the Mekong River to Vientiane on Tuesday along with three others who had been classified under a screening process as "economic migrants" as opposed to genuine refugees fleeing persecution, the UNHCR official said.

The number of Laotians returning voluntarily is swelling as Thai-Lao relations have improved and the refugees have lost hope of being resettled in Western countries swamped by refugees from Indochina, he said.

SIAM RAT Weekly Reviews 'Security Act' Issue

*BK1009020189 Bangkok BANGKOK POST in English
10 Sep 89 p 6*

[From the "Inprint" column]

[Text] Army chief Gen [General] Chawalit Yongchaiyut's call for a new national security law to replace the Anti-Communism Act came under strong criticism from various circles. Critics were of the view that the new security law might be worse than the Anti-Communism Act, SIAM RAT weekly said.

It said that most critics opposed Gen Chawalit's idea because such a law normally gives sweeping powers to government authorities. It allows authorities unlimited power to arrest, detain and put in jail any suspects without having to follow the normal legal procedure.

The aim of the security act suggested by Gen Chawalit is meant to deal with offenders who commit serious crimes against the security of the country, religion, the Monarchy, democracy, national customs, traditions and culture.

The weekly said most critics felt that the bill will give broader power to government authorities.

Nakhon Si Thammarat MP Chamni Sakset of the opposition Solidarity Party said he agreed to the proposed revocation of the Anti-Communism Act, which deprives people of their basic rights. But if the new law gives sweeping powers to authorities, then he can't accept it.

The Prachakon Thai Party leader Samak Suntharawat said he agreed to certain changes, but the new law should be drafted with caution. The new law, he said, must not be used as a tool of the Government. While the Anti-Communism Act effects the communists, the new proposed law affects everybody, he noted.

Thammasat University lecturer Sombat Chantharawong said he doesn't know how the new bill will look. As he had heard, the new law will be broadly based. If the Anti-Communism Act is abrogated, he added, "there is no need to propose a new law to replace it."

Civil rights activist Kothom Ariya said such a law exists only in countries where the power-holders want to suppress their political foes.

Possible Rift in Chatchai Coalition Assessed

BK1009030589 Bangkok *THE NATION* in English
10 Sep 89 p 6

[Article by "The Political Desk:" "'No Problem' in the Government Coalition?"]

[Text] When Prime Minister Chatchai Chunhawan returned to Bangkok from a five-day trip to Australia last Sunday night, he was asked to comment on the noisy rift between the two Democrat ministers and a group of government MPs [members of Parliament] led by Prayut Siriphanit, deputy leader of the Social Action Party. The premier told reporters at his post-arrival press conference, "I don't think there is any serious problem."

But few reporters took his words seriously. For at that time the Prayut group was still threatening to introduce a motion to expel the two Democrat ministers, Public Health Minister Chuan Likphai and Deputy Agriculture Minister Charoen Khanthawong, under Article 82 of the Constitution. Opposition leader Narong Wongwan, on the other hand, intended to submit to the House an urgent motion to debate the shortage of fertilizer.

Either of the motions would have put the Democrat Party under fire and opened old painful wounds.

Democrat secretary-general Sanan Khachonprasat, who is agriculture minister, was one of the four Cabinet members grilled by the Opposition last July. One of the issues raised during the censure was the controversial purchase of 300,000 tons of fertilizer from a local dealer by the Marketing Organization for Farmers [MOF], which handles purchase of low-cost fertilizer for reselling to farmers. Deputy Minister Charoen, who oversees the MOF, responded to questions on the fertilizer deal on behalf of Minister Sanan.

Charoen's explanation apparently did not clear all doubts. About 30 government MPs abstained from voting for Sanan. Consequently Sanan survived the censure with the least votes of confidence of all the four Cabinet members.

Sanan as well as his party was upset.

Chuan, who is No. 1 deputy Democrat leader, then dropped a bombshell by accusing three of those government MPs who did not vote for Sanan of trying to extort money in exchange for their votes. Chuan said the demand was conveyed to Charoen. Charoen confirmed the extortion attempt and added that the three MPs were demanding Bt [baht] 5 million because they believed the Democrat Party received more than Bt100 million in kick-backs from the fertilizer deal. Charoen reportedly rejected the demand.

Although neither Chuan nor Charoen would name the three MPs, a report in *THAI RAT* identified the three as Payung Chamchong (Social Action, Maha Sarakam), Chatrri Phiriyakitphaibun (Social Action, Ubon Ratchathani) and Sanit Chanthawong (Social Action, Ubon Ratchathani).

The three MPs denied they were behind the alleged extortion. Their hues and cries were quickly joined in by a group of government MPs from the Northeast, led by Prayuth, a four-time MP from Maha Sarakam and deputy agriculture minister in the Prem IV [Roman four] and V [Roman five] administrations. The group met in Udon Thani last month and decided to seek support from other MPs, especially those in the Opposition, to expel Chuan and Charoen under Article 82 for allegedly dishonouring the House by their innuendo against the three unnamed government MPs.

However, Premier Chatchai managed to have government whips block the attempt of the Prayuth group and dismiss Narong's motion to discuss the fertilizer issue on the grounds that the House would need to concentrate on passing the budget bill.

On Wednesday evening, the premier summoned all the protagonists in the extortion dispute to a dinner meeting at his residence. Democrat leader Deputy Prime Minister Phichai Rattakun and Social Action leader Foreign Minister Sitthi Sawetsila also attended.

Soon the premier emerged to announce that "three was no problem" and that "the insiders (those in his six-party coalition) understand one another well, only outsiders (and the press) have misunderstanding about us."

Charoen added that he never named anyone. And the three Social Action MPs standing behind the premier nodded with approval when the premier declared that he considered this issue closed. He then held the hands of Phichai and Sitthi and in a symbolic pose of unity for news photographers to take their picture.

But opposition leaders countered that this case is far from over and faulted the premier for allegedly covering up the extortion.

"This (the extortion) is a crime that cannot be summarily dismissed by the premier," said Piyanat Wacharaphon, deputy leader of the leading opposition Solidarity Party.

A meeting of senior opposition leaders on Thursday resolved to take parliamentary action to hold the premier responsible for the alleged cover-up.

"We consider Premier Chatchai a defendant in this case and the Opposition the plaintiff," said Uthai Phimchachon, deputy Solidarity leader, after the meeting.

Bunchu Rotchanasathian, deputy Solidarity leader, added that the premier must clear all doubts before he can close this case. "The people are paying a lot of attention to this case. He (Premier Chatchai) cannot just abruptly cover it up," Bunchu asserted.

Charoen was correct when he clarified that he never identified the three MPs. But neither he nor Chuan would retract the accusation.

"I have nothing to add or deduct from what I have said," Chuan stressed.

He noted, however, that the Opposition should not bother the premier, "because something is beyond his responsibility."

Chuan also explained that he considered the extortion as a wayward behaviour of individual MPs, of which their party need not necessarily be held responsible either.

Thus when Premier Chatchai reiterated that there was "no problem" inside his coalition, he meant there was "no problem" between Democrat and Social Action parties. But the animosity between individual MPs and ministers is another question.

Incidentally, Prayuth was conspicuously absent from the meeting at the premier's residence Wednesday night. His reason was, "I am not a direct party to the dispute."

It is an open secret, however, that Prayuth has been at odds with Chuan for quite some time. This explains why Prayuth was so enthusiastic in leading a move to expel Chuan and Charoen.

But this is "no problem", as far as Premier Chatchai is concerned.

Chawalit Said To Retain Top Posts in Reshuffle

*BK1009031689 Bangkok THE NATION in English
10 Sep 89 pp 1, 2*

[Report by Phongsak Sisot]

[Text] Acting armed forces chief Gen [General] Chawalit Yongchaiyut has sent the list of military officers to be reshuffled this October to Gen Chatchai Chunhawan in his capacity as defence minister and prime minister, highly-placed sources told THE NATION yesterday.

The list was delivered to PM's [Prime Minister's] Secretary General Gen Panya Singsakda late last week and is expected to be announced shortly as Gen Chatchai has repeatedly pledged not to change Chawalit's new military line-up.

The sources said that Gen Chawalit is likely to retain his two top military posts as acting supreme commander and army commander-in-chief in the annual shake-up. It is expected that Deputy Army Chief of Staff Gen Wanchai Ruangtrakun will be transferred to the Office of the Defence Ministry to succeed outgoing Gen Wichit Wichitsongkhram as permanent secretary.

Earlier, Gen Chawalit had toyed with the idea of leaving the top armed forces post to Armed Forces Chief of Staff Gen Sunthon Khongsomphong and retain only the top army post.

The sources said it is highly possible that Gen Chawalit will tender his resignation from the military next year to relieve the growing tension about promotions in the army.

The sources said that apart from Gen Chawalit's name, those of Army Chief of Staff Gen Charuai Wongsayan and Armed Forces Chief of Staff Gen Sunthon Khongsomphong did not appear on the list submitted to the premier.

Barring last-minute changes, Assistant Army Commander in Chief Gen Suchinda Khraprayun will be promoted to deputy army chief, succeeding Gen Wanchai while Gen Phichit Kunlawanit is expected to take over as deputy supreme commander.

Gen Phichit's planned appointment to succeed outgoing Adm [Admiral] Chat Dittabanchong is unconventional as the post is part of the Royal Thai Navy quota. The other two deputy supreme commanders are from the Royal Thai Army and the Royal Thai Air Force and will remain unchanged in this year's shuffle.

The special arrangement was made after Gen Chawalit won a concession from Navy Commander in Chief Adm Praphat Kritsanachan to keep the vacant position for an army officer. The acting supreme commander reportedly told Adm Praphat that he wants to ease the tension resulting from the limited room for promotions within the army.

But sources close to Gen Phichit said they did not think the first assistant army commander in chief wanted such a departure from the army.

The sources said First Army Region Commander Lt Gen [Lieutenant General] Wanchai Wutthisiri and Second Army Region Commander Lt Gen Itsaraphong Nunphakdi have been nominated to succeed Gen Phichit and Gen Suchinda as assistant army commanders in chief in the new line-up.

Lt Gen Wanchai and Lt Gen Itsaraphong will be succeeded by First Brigade Commander Lt Gen San Siphon and Second Brigade Commander Lt Gen Somphon Toemthongchai respectively.

Other major appointments include:

—Fourth Army Region Commander Lt Gen Wisit Atkhumwong as officer attached to the Supreme Command.

—Deputy Fourth Army Region Commander Maj Gen [Major General] Sonsoem Waisopha as Fourth Army Region Commander.

—Armed Forces Director of Intelligence Lt Gen Wichit Bunyawat as deputy armed forces chief of staff, replacing outgoing Gen Somkhuan Suwan.

Senate Approves 1990 National Budget Bill

BK0809070089 Bangkok Domestic Service in Thai
0530 GMT 8 Sep 89

[Text] An extraordinary meeting of the Senate convened this morning at 0935 at the National Assembly. The Senate unanimously approved the draft of the fiscal 1990 National Budget Bill, which had been approved by the House of Representatives in its final readings yesterday.

On this occasion, Suthi Singsane, chairman of the Senate's Budget Scrutiny Committee, expressed his support for the allocation of the total budget of 335,000 million baht set by the government. He said the allocation appropriately corresponds with the economic situation in the country.

State Unions Plan Protest on Port Privatization

BK0809031189 Bangkok THE NATION in English
8 Sep 89 p 2

[Text] State enterprise labour unions will hold a demonstration on Tuesday [12 Sep] to protest the Communications Ministry's plan to push for the privatization of the Laem Chabang deep-sea port, a labour leader said yesterday.

The protest is in response to Deputy Communications Minister Nikhom Saenchaoen's move to ask the government's Eastern Seaboard Development Committee (ESDC) to consider a plan to privatize the eastern port at its meeting on Tuesday, Ekkachai Ekhankamon, secretary general of the State Enterprise Relations Group (SERG) said yesterday.

Claiming to represent Port Authority of Thailand (PAT) workers, Ekkachai said Nikhom's move went against the promise the Communications Ministry made with the port authority to have it manage the port.

Members of the PAT labour unions and SERG will take part in the protest rally to pressure the ministry to give up its attempt to push for the port privatization, he said.

"This is not a threat but we will do what we intend to do," said Ekkachai, adding that the labour unions would not give any assurance that there wouldn't be any trouble during the protest.

In an earlier move against the port's privatization, the six PAT labour unions called a strike in the beginning of August at the Bangkok Port in Khlong Toei area to demand that the government reconsider its plan to set up a new state enterprise to oversee the Laem Chabang Port and permit private investors to manage wharves at the port.

The strike disrupted cargo transfers and forced a temporary closure of the country's biggest commercial port.

The Communications Ministry then agreed to ask the eastern seaboard committee to reconsider the privatization plan which led to the strike being called off.

Editorial Examines Government Economic Actions

BK1309025389 Bangkok THE NATION in English
13 Sep 89 p 8

[Editorial: "Inevitable Inflation"]

[Text] For Thailand, where fiscal and monetary conservatism has long been a tradition, the prospect of an inflation rate higher than 5 percent is causing quite a big stir in the Chatchai administration. The Finance Ministry and the Bank of Thailand have been studying measures to curb the inflation, and their recommendations are expected to be discussed in a meeting of the Council of Economic Ministers next Monday [18 September]

The Thailand Development Research Institute, which earlier this year warned that inflation would exceed 5 percent, now forecasts that it will reach 7 percent this year. The Commerce Ministry estimates a rate of 8 percent.

In any case, it will be a big surprise if inflation does not rise above 5 percent this year. The rise is almost inevitable, though, given the rapid growth of Thailand's economy—which is expected to reach 9 percent—and the pressures that growth creates.

The minimum wage for workers in the private sector and the salaries of government officials and state enterprise employees were raised early this year. Farmers' incomes generally have increased due to rising crop prices, especially for rice, which has seen a record export level this year.

Government spending has increased, by 17 percent in fiscal year 1988/89, and the same level in the proposed budget for fiscal 1989/90. The government has committed several hundred billion baht [Bt] to the development of economic infrastructure. The Prime Minister last week announced that about Bt100 billion will be invested in the next two years in electricity projects alone.

The improved infrastructure will attract a larger influx of foreign investment and facilitate industrial and business expansion. This expansion in turn boosts the construction boom and skyrocketing land prices in Bangkok and other developed areas, such as the Eastern Seaboard.

The influx of foreign capital has also sustained a bullish market at the Securities Exchange of Thailand [SET]. The SET index rose from a record low in the 360s last December to 722 points yesterday—a spectacular climb of more than 100 percent in 10 months. Moreover, optimistic sentiments still prevail—in spite of the rising inflation and new measures to discourage speculative stock trading—because of the confidence of foreign investors in the health of the Thai economy.

Another cause for inflation is the record number of tourists, which this year may reach 5 million. At least Bt90 billion will be spent by these visitors during their stays in Thailand. Tourism growth also fuels construction and increases land prices in resort areas.

Also important is the rapid growth in foreign trade, especially the estimated 30 percent increase this year in imports, whose costs are rising because of the appreciation of the Japanese yen and Western European currencies. The costlier imports add to production costs and increase prices generally.

The Finance Minister has reportedly rejected a proposal to lift the loan interest ceiling, currently fixed at 15 percent, for fear of hurting small borrowers. But it is possible that he may further postpone the introduction of the value added tax (VAT), which is expected to increase inflation by 1-2 percent when it is introduced. Cutting the VAT from a flat rate of 10 percent to 8 percent is another option to reduce inflationary pressures on the economy.

The government has decided to cut excise tax on oil in order to delay an oil price increase. It refuses to let the domestic oil price flat with the world market price of crude oil. But this anti-inflation measure is tenable only as long as the crude oil price does not rise above \$20 a barrel.

The government has also tried to encourage savings by permitting commercial banks to increase deposit interest rates.

It is a cruel fact of life that the poor, especially those surviving on fixed wages, who have no land to sell and no money to deposit anywhere, will suffer the most from high inflation. When the economic ministers meet next Monday, they should bear this in mind and look for effective measure to cushion the poor from the blow of inflation.

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